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TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1899.

No. 830. 121.

ELGIN NATIONAL WATCH COMPANY, APPELLANT,

vs.

ILLINOIS WATCH CASE COMPANY, THOMAS W. DUNCAN, AND MYER ABRAHAM.

APPEAL FROM THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

FILED AUGUST 17, 1899.

(17,493.)

(17,493.)

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1899.

No. 379.

ELGIN NATIONAL WATCH COMPANY, APPELLANT,

vs.

ILLINOIS WATCH CASE COMPANY, THOMAS W. DUNCAN, AND MYER ABRAHAM.

APPEAL FROM THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

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JUDD & DETWEILER, PRINTERS, WASHINGTON, D. C., AUGUST 23, 1899.

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IN THE

UNITED STATES CIRCUIT COURT OF APPEALS

FOR THE SEVENTH CIRCUIT.

OCTOBER TERM, A. D. 1897.

No. 525.

ILLINOIS WATCH-CASE COMPANY, THOMAS W. DUNCAN AND MYER ABRAHAM,

Appellants,

vs.

ELGIN NATIONAL WATCH COMPANY,

Appellee.

MR. THOMAS A. BANNING,
MR. EPHRAIM BANNING,
Counsel for Appellants.

MR. LYSANDER HILL,
MR. GEORGE S. PRINDLE,
Counsel for Appellee.

Appeal from the Circuit Court of the United States for the Northern District of Illinois, Northern Division.

1 Pleas in the Circuit Court of the United States for the Northern District of Illinois, Northern Division, in Chancery sitting at the United States Court room, in the City of Chicago, in said District and Division, before the Hon. JOHN W. SHOWALTER, Circuit Judge of the United States for the Seventh Judicial Circuit, on Wednesday, the twenty-seventh day of April, in the year of our Lord one thousand eight hundred and ninety-eight, of the December term of said Court, 1897, and of our Independence the one hundred and twenty-second year.

S. W. BURNHAM,
Clerk.

Elgin National Watch Company
23,974 *vs.*
Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham. } In Chancery.

CIRCUIT COURT OF THE UNITED STATES, NORTHERN DISTRICT OF ILLINOIS.

Elgin National Watch Company
vs.
Illinois Watch-Case Company, Thomas W. Duncan and Myer Abraham. } In Chancery. 23,374.

Be it remembered, that on this day, to wit, the fourth day of January, 1896, came the complainant in said entitled cause, by its solicitors, and filed in the clerk's office of said court its bond for costs and bill of complaint, which said bond and bill are respectively in words and figures following, to wit:

BOND FOR COSTS.

UNITED STATES OF AMERICA,
NORTHERN DISTRICT OF ILLINOIS, } ss.
NORTHERN DIVISION.

The Elgin National Watch Company
vs.
The Illinois Watch-Case Company *et al.* } In Equity.

I enter myself as security for costs in this cause, and promise to pay all costs which may accrue to the opposite party in this action or to any of the officers of this court, and in default of payment by the complainants of any costs ordered or adjudged to be paid by it, hereby agree and stipulate that execution may issue against my prop-

erty for all costs not exceeding two hundred dollars taxed against ——

Dated this 4th day of January, A. D. 1896.

GEO. S. PRINDLE,
Residence 2001, Chicago, Ills.

Acknowledged before me this 4th day of January, 1896.

S. W. BURNHAM,
Clerk U. S. Circuit Court, Nor. Dist. Ills.

(Endorsed): Filed January 4, A. D. 1896, S. W. Burnham, Clerk.

UNITED STATES CIRCUIT COURT, NORTHERN DISTRICT OF ILLINOIS, NORTHERN DIVISION.

Elgin National Watch Company,
Complainant,
vs.
Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham,
Defendants.
} In Equity.

To the Honorable Judges of the Circuit Court of the United States for the Northern District of Illinois:

The Elgin National Watch Company, a corporation created and organized under the laws of the State of Illinois, having its principal place of business at Elgin, and its office at Chicago, in said State of Illinois, complainant, brings this its bill of complaint against the Illinois Watch Case Company, a corporation created and organized under the laws of the State of Illinois, and having its principal place of business at said Elgin, Illinois, Thomas W. Duncan, of said Elgin, president, treasurer and superintendent, and Myer Abraham, of said

Elgin, secretary of said Illinois Watch Case Company, defendants.

1. And thereupon your orator complains and says: That prior to the 11th day of April, A. D. 1868, your orator was engaged in the business of manufacturing watches at Elgin, Illinois, which was then a small town containing no other manufactory of watches or watch-cases; that your orator had built up at said town a very large business in the manufacture of watches and watch-movements, and that said watches and watch-movements, so made by your orator, had become known all over the world, and had been largely sold and used not only in this but in foreign countries.

2. Your orator further informs your Honors that at and before said 11th day of April, A. D. 1868, your orator had adopted the word "Elgin" as a trade-mark for its said watches and watch-movements; that said trade-mark was marked upon the watches and watch-movements made by your orator, both upon those which entered into commerce in this country and those which were exported to and sold in foreign countries; that your orator's watches became known all over the world as Elgin watches, and their origin and source, as a product of your orator's manufacture, were distinguished from those of all other watches manufactured in any part of the world by said distinguishing word or trade-mark, "Elgin;" that from said 11th day of April, A.D. 1868, to the present time, your orator, both in the goods manufactured and sold by it in this country and those exported by it to and sold in foreign countries, has continued to use said trade-mark upon its watches and watch-movements, and is still using it, and that said trade-mark has always served and still serves to distinguish your orator's product from that of all other manufacturers.

3. Your orator further shows unto your Honors that at the time of its adoption of said trade-mark no other person, firm or corporation engaged in the manufacture or sale of watches was using the word "Elgin" as a trade-mark or as a designation to designate its goods from those of other manufacturers, and that your orator had the legal right to appropriate and use the said word as its lawful trade-mark for its watches and watch-movements.

4. Your orator further shows unto your Honors that the watches and watch-movements made by your orator have achieved a very great reputation throughout the world, and that such reputation is of great commercial value to your orator in its business aforesaid.

5. Your orator further shows unto your Honors that on the 19th day of July, A. D. 1892, under the act of Congress relating to the registration of trade-marks, your orator caused said trade-mark to be duly registered in the Patent Office of the United States according to law, as by the certificate of said registration, or a copy thereof, duly certified by the Commissioner of Patents, here in court to be produced, will more fully and at large appear.

6. Your orator further shows unto your Honors that within years last past the defendants, wrongfully contriving and seeking to avail themselves of the benefit of your orator's said trade-mark, to profit by the great reputation of your orator's watches and watch-movements, and to deceive the public into purchasing, as your orator's watches, watches not made by your orator, but of a quality greatly inferior to those made by your orator, have unlawfully and in violation of your orator's rights, as aforesaid, appropriated and used your orator's

said trade-mark upon their own manufacture; that the defendants have done this by engraving or otherwise affixing the word "Elgin" to the watch-cases made and sold by them; that such watch-cases are adapted to receive watch-movements of different construction from those made by your orator; that inferior watch-movements are liable to be, and often are, encased in them; and that, when so encased, the entire watch, including both movement and case, appears upon the market with your orator's trade-mark upon it, thereby leading the public to believe that said watch, as an entirety, was made by your orator, and enabling the parties wrongfully using your orator's trade-mark as aforesaid to profit by the great reputation of your orator, to palm off other and inferior goods as goods made by your orator, to injure the reputation of your orator as a watchmaker, and to deprive your orator of a portion of the business and patronage which your orator would otherwise receive from the public; that your orator in its business aforesaid has been greatly damaged and injured by such wrongful use of its trade-mark by the said defendants, and that if the same shall continue it will work to your orator irreparable damage and injury in and about its business aforesaid.

7. Your orator further informs your Honors that it has notified the said defendants of its exclusive right to said trade-mark and of their wrongful infringement of the same as aforesaid, and has requested them to desist therefrom, but that the said defendants have declined and refused, and still decline and refuse, to desist from their unlawful appropriation of your orator's said trade-mark, and threaten to continue the same.

All of which actings and doings are contrary to equity

and good conscience and tend to the manifest wrong and injury of your orator in the premises.

In consideration whereof, and forasmuch as your orator is remediless at common law and can have adequate relief only in this Honorable Court, where most matters of this sort are properly cognizable and relievable; to the end, therefore, that the defendants may, if they can, show why your orator may not have the relief hereby prayed, and may, according to the best and utmost of their knowledge, remembrance, information and belief, full, true, direct and perfect answer make to all and singular the premises; and may be compelled by decree of this court to pay to your orator the damages occasioned to it by the defendants' said unlawful infringement of said trade-mark, and to pay the costs of this suit, and to desist from further infringing your orator's rights in the premises.

May it please your Honors, the premises being considered, to grant unto your orator a writ or writs of injunction under the seal of this Honorable Court, and, according to law, perpetually enjoining and restraining the defendants, to wit, the Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham, their clerks, attorneys, agents, servants and workmen, from directly or indirectly making or selling any watch-case or watch-cases marked with your orator's said trade-mark, and from using your orator's said trade-mark in any way upon watches or watch-cases or in the defendants' printed advertisements, circulars, labels, or the boxes or packages in which their said watch-cases are put up or exposed for sale; and that your orator may have such other and further relief in the premises as the nature of the case may require and to your Honors shall seem meet.

And may it please your Honors to grant unto your orator a writ or writs of subpœna of the United States of America, directed to the said defendants, the Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham, according to law, commanding them, and each of them, on a certain day and under a certain penalty, therein to be mentioned, to be and appear in this Honorable Court, then and there to answer all and singular the premises, and to stand to, perform and abide such further order, direction and decree as may be made against them.

And your orator, as in duty bound, will ever pray.

PRINDLE & RUSSELL,
Solicitors and of Counsel for Complainants.

LYSANDER HILL,
Of Counsel for Complainant.

STATE OF ILLINOIS, }
COUNTY OF COOK. } ss.

Thomas M. Avery, being duly sworn, deposes and says that he is the president of the Elgin National Watch Company, the complainant in the foregoing bill of complaint; that he has read the same and knows the contents thereof; that the same is true of his own knowledge, except in those matters therein stated to be on information and belief, and as to those matters he believes it to be true.

THOMAS M. AVERY.

Subscribed to and sworn before me this 3d day of January, A. D. 1896.

D. WILEY MCCAUGHRY,
Notary Public.

On the same day, to wit, the fourth day of January, 1896, a writ of subpœna issued out of the clerk's office of said court, directed against the defendants in said entitled cause, which said writ, together with the memorandum thereto attached and the marshal's return thereon endorsed, is in the words and figures following to wit:

SUBPŒNA.

UNITED STATES OF AMERICA,
NORTHERN DISTRICT OF ILLINOIS, } ss.
NORTHERN DIVISION.

The United States of America, to Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham, Greeting:

We command you, and every of you, that you appear before our judges of our Circuit Court of the United States of America for the Northern District of Illinois, at Chicago, in the Northern Division of said District, on the first Monday in the month of February next, to answer the bill of complaint of Elgin Watch Company this day filed in the clerk's office of said court, in said City of Chicago, then and there to receive and abide by such judgment and decree as shall then or thereafter be made, upon pain of judgment being pronounced against you by default.

To the Marshal of the Northern District of Illinois to execute.

Witness the Hon. Melville W. Fuller, Chief Justice of the United States of America, at Chicago aforesaid, this fourth day of January, in the year of
[SEAL.] our Lord one thousand eight hundred and ninety-six, and of our Independence the 120th year.

S. W. BURNHAM,
Clerk.

MEMORANDUM.

The above-named defendants are notified that unless they and each of them shall enter their appearance in the clerk's office of said court, at Chicago aforesaid, on or before the day to which the above writ is returnable, the complainant's bill will be taken against them as confessed and a decree entered accordingly.

S. W. BURNHAM,
Clerk.

MARSHAL'S RETURN.

I have duly served the within writ within my district in the following manner, to wit:

Upon the Illinois Watch Case Company by reading and by delivering a true copy of the same to Thomas W. Duncan, the president of the aforesaid company, and by reading and by delivering a true copy of the same to Thomas W. Duncan personally on the 6th day of January, A. D. 1896, also upon Myer Abraham, by reading and by delivering to him a true copy thereof on the 9th day of January, A. D. 1896.

J. W. ARNOLD, U. S. Marshal.
By JOHN A. LOGAN, Deputy.

(Endorsed): Filed Jan. 10, 1896, S. W. Burnham, Clerk.

Afterwards, to wit, on the third day of February, 1896, came the defendants in said entitled cause, by their solicitors, and entered their appearance in said cause in words and figures following, to wit:

APPEARANCE.

CIRCUIT COURT OF THE UNITED STATES, NORTHERN DISTRICT OF ILLINOIS.

Elgin National Watch Company
vs.
Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham. } In Equity.

We hereby enter the appearance of the defendants in the above-entitled cause.

BANNING & BANNING,
Solicitors for Defendants.

CHICAGO, February 1, 1896.

(Endorsed): Filed Feb. 3, 1896, S. W. Burnham, Clerk.

CIRCUIT COURT OF THE UNITED STATES, NORTHERN DISTRICT OF ILLINOIS.

Elgin National Watch Company, *Complainant,*
vs.
Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham, *Defendants.*
} In Equity.

The demurrer of the above-named defendants to the bill of complaint of the said Elgin National Watch Company, complainant.

These defendants, by protestation, not confessing all or any of the matters or things in the said bill of complaint contained to be true in such manner and form as the same is therein set forth and alleged, demur to the said bill, and for cause of demurrer show that the said complainant has not in and by said bill made such a case as entitles it in a court of equity to any relief against the defendants, or either of them, touching any of the matters therein complained of; and for cause of demurrer show:

1. That the word or name "Elgin," claimed by the complainant as a trade-mark or name, is a geographical name, and as such not appropriable as a word or name in which an exclusive right can exist in favor of the complainant, or any one else.

2. That the word or name "Elgin," claimed by the complainant as a trade-mark or name, is a geographical name, and as such not appropriable as a word or name in which any exclusive right can exist as against others doing business at the City of Elgin, as are the defendants, as appears from the bill of complaint.

3. That although the bill of complaint declares on the

word or name "Elgin," as a registered trade-mark, it does not appear from the allegations of the bill that the defendants are using such name or word in commerce with foreign nations or Indian tribes, nor in any way, so far as the bill shows, except in domestic commerce.

Wherefore, and for divers other good causes of demurrer appearing in said bill, the defendants demur thereto and pray the judgment of this Honorable Court whether they should be compelled to make any further or other answer to said bill, and humbly pray to be hence dismissed with their reasonable costs in this behalf most wrongfully sustained.

ILLINOIS WATCH CASE COMPANY,
of Elgin, Ill.
By THOMAS W. DUNCAN, Presdt.
THOMAS. W. DUNCAN.
MYER ABRAHAM.

BANNING & BANNING,
Solicitors for Defendants.

I do hereby certify that, in my opinion, the above demurrer is well founded in point of law.

THOMAS A. BANNING.

STATE OF ILLINOIS, } ss.
COOK COUNTY. }

Thomas W. Duncan, being duly sworn, deposes and says he is the president of the above-named defendant company and one of the defendants, and that the above demurrer is not interposed for purposes of delay.

THOMAS W. DUNCAN.

Subscribed and sworn to before me this 24th day of February, 1896.

ANNIE C. COURTENAY,
Notary Public

[SEAL.]

Afterwards, to wit, on the first day of May, 1896, in the December term of said court, 1895, in the record of proceedings thereof before the Hon. Peter S. Grosscup, District Judge, appears the following entry, to wit:

ENTRY.

Elgin National Watch Company
vs.
Illinois Watch Case Company. } 23,974.

Now come the parties, by their solicitors; now comes on to be heard the demurrer to the bill of complaint heretofore filed herein. The court, after hearing the arguments of counsel in full, takes the matter under advisement.

Afterwards, to wit, on the eleventh day of July, in the July term of said court, 1896, in the record of proceedings thereof in said entitled cause before the Hon. Peter S. Grosscup, District Judge, appears the following entry, to wit:

ENTRY.

Elgin National Watch Company
vs.
Illinois Watch Case Company *et al.* } In Chancery. 23,974.

Now come the parties, by their solicitors, and the court having considered and being now fully advised, overrules the demurrer to the bill of complaint herein.

CIRCUIT COURT OF THE UNITED STATES, NORTHERN DISTRICT OF ILLINOIS.

Elgin National Watch Company
vs.
Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham.
} In Equity.

The joint and several answer of the Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham, defendants, to the bill of complaint of the Elgin National Watch Company, complainant.

These defendants, now and at all times saving and reserving unto themselves all and all manner of benefit and advantage of exception that can or may be had or taken to the many errors, inaccuracies and insufficiencies in the said bill of complaint contained, for answer thereunto, or to so much and such parts thereof as they are advised it is material or necessary to make answer unto, answering say:

These defendants admit that the Illinois Watch Case Company is a corporation organized and existing under the laws of the State of Illinois, and having its principal office or place of business at the City of Elgin, Illinois; and that the defendants Duncan and Abraham sustain the official relations to the said company as in and by said bill alleged.

These defendants, further answering, say that as to whether the complainant was engaged in the business of manufacturing watches at the City of Elgin, Illinois, prior to the 11th day of April, 1868; as to whether the City of Elgin was then a small town containing no other manufactory of watches or watch-cases; as to whether the complainant has built up in such town a large business in

the manufacture of watches and watch-movements; as to whether said watches and watch-movements so made by the complainant became known all over the world, and are largely sold and used not only in this but in foreign countries; as to whether the complainant prior to said 11th day of April, 1868, adopted the word or name "Elgin" as a trade-mark for its said watches and watch-movements; as to whether said word or name "Elgin" was marked upon the watches and watch-movements made by the complainant, both upon those which entered into commerce in this country and those which were exported to and sold in foreign countries; as to whether the complainant's watches became known throughout the world as "Elgin" watches and as the product of the complainant's manufacture; as to whether said watches and watch-movements were distinguished by the word or name "Elgin" from watches and watch-movements manufactured by others; as to whether the complainant has continued to use said name or word "Elgin" upon the watches and watch-movements manufactured and sold by it in this country and exported by it to foreign countries; as to whether at the time the complainant began to use the word or name "Elgin" on its watches or watch-movements no other person, firm or corporation engaged in the manufacture and sale of watches was using the word "Elgin" to designate or distinguish its goods from those of others; as to whether the watches or watch-movements made by the complainant and marked with the word or name "Elgin" achieved a great or any reputation throughout the world, so as to be of commercial value to the complainant; these defendants neither admit nor deny the allegations of said bill of complaint, but call upon the complainant for strict proof of the same so far as it may be advised is necessary.

These defendants, further answering, say that they are advised and believe the fact to be that on or about the 19th day of July, 1892, the complainant caused the word or name "Elgin" to be registered in the Patent Office of the United States; but these defendants, on information and belief, deny that the said registration was a legal one or such as the act of Congress legally permitted to be done.

These defendants, further answering, deny that they have within the three years last past, or at any other time, been wrongfully contriving and seeking to avail themselves of the benefit of any reputation or prestige which the complainant enjoyed from its use of the name or word "Elgin;" or that they have been attempting to deceive the public into purchasing the goods manufactured by them under the belief or supposition that they were of complainant's manufacture; or that they have unlawfully and in violation of any rights of the complainant appropriated and used the word or name "Elgin;" or that they have in any way done anything which they did not have the perfect legal right to do, by which the complainant has been in any way damaged or injured; or that they have in any way led the public to believe that the watches or watch-movements sold in the cases manufactured by these defendants were the complainant's watches or watch-movements; or that they have in any way enabled others to palm off and sell inferior goods as the goods of the complainant's manufacture, to the injury of the complainant in its reputation or otherwise, or so as to deprive the complainant of a portion of its business patronage, which it would otherwise have received from the public; or that the complainant has been greatly or at all damaged and injured by any wrongful act perpetrated, permitted or sanctioned by these defendants.

These defendants, further answering, say that they have never used the word or name "Elgin" on watches or watch-movements; that they have never manufactured or sold, or offered for sale, watches or watch-movements; that the business of the defendant company is the manufacture and sale of watch-cases in which watches or watch-movements are encased or enclosed; that the complainant has never manufactured or sold watch-cases with the word or name "Elgin" on them; that the business carried on by the defendant company and the complainant are entirely distinct and separate the one from the other; that wherever the defendant company has used the name or word "Elgin" on its watch-cases it has been usually —if not invariably—in connection with some other word, as "Elgin Giant" or "Elgin Commander" or "Elgin Tiger," or some other word used in combination with the word "Elgin" or "Elgin, Illinois;" that the complainant has recognized the difference or distinction between the use of the word or name "Elgin" alone and the use of such word or name in combination or in connection with some other word; that it has registered the word "Elgin" in combination with some other word as well as by itself separately, and has thus sought to appropriate as far as possible the use of the name or word "Elgin," both separately and in combination, as will appear from the certificates of such registration which the defendants will produce and offer in evidence at the proper time; that the registration declared on in the bill of complaint herein is of the word or name "Elgin" separately and by itself, which, as above explained, the defendant company has seldom—if at all—used, and which it has never used alone or separately, as registered by the complainant, upon goods exported to foreign nations or used in foreign commerce; that the word

"Elgin" as used by the defendant company, if used alone, has been used in domestic commerce and to inform the public of the place where the watch-cases manufactured and sold by the defendant company have been manufactured; that the watch-cases manufactured and sold by the defendant company have been sold upon a guarantee running for a number of years, so that it has been necessary to inform purchasers of the location or city where the defendant company is carrying on its business in order that purchasers would be able to find the defendant company in case it became necessary to call upon such company to make good its guarantees of its watch-cases; and that, owing to the distinct lines of business in which the complainant and the defendant company are engaged, no misunderstanding or confusion has arisen or can arise, as these defendants are informed and believe.

These defendants, further answering, on information and belief, allege that the word "Elgin," being a geographical name or word indicating the name of a prominent manufacturing city in which any manufacturer of watches, watch-movements or watch-cases is at liberty to locate and carry on his business, is not appropriable by any single manufacturing person, firm or corporation, but is open as of common right to the use of any person, firm or corporation carrying on business at the City of Elgin.

Without this, that any other matter, cause or thing in said bill of complaint contained, and not herein and hereby well and sufficiently answered unto, traversed and denied, confessed or avoided, is true; all of which matters and things these defendants are ready to aver, maintain and prove, as this Honorable Court shall direct, and

beg to be hence dismissed with their reasonable costs and charges in this behalf most wrongfully sustained.

ILLINOIS WATCH CASE COMPANY,
By THOMAS W. DUNCAN,
Presdt.

THOMAS W. DUNCAN,
By THOMAS A. BANNING,
Attorney.

BANNING & BANNING,
Solicitors for Defendants and of Counsel.

STATE OF ILLINOIS, }
COUNTY OF COOK. } ss.

Thomas W. Duncan, president of the defendant corporation, being first duly sworn, deposes and says that he has read the foregoing answer subscribed by the defendant corporation and the defendants personally, and knows the contents thereof; and that the same is true of his own knowledge, except as to matters therein stated on information and belief, and as to these he believes it to be true.

THOMAS W. DUNCAN.

Subscribed and sworn to before me this }
12th day of August, A. D. 1896. }

ANNIE C. COURTENAY,
Notary Public.

[SEAL.]

UNITED STATES CIRCUIT COURT, NORTHERN DISTRICT OF ILLINOIS.

Elgin National Watch Company
vs.
Illinois Watch Case Company,
Thomas W. Duncan and Myer Abraham.

REPLICATION.

The replication of the Elgin National Watch Company to the joint and several answer of the Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham, defendants, to the bill of complaint of the Elgin National Watch Company, complainant.

This repliant, saving and reserving to itself all and all manner of advantage of exception to the manifold insufficiencies of the said answer, for replication thereunto says that it will aver and prove its said bill to be true, certain and sufficient in the law to be answered unto; and that the said answer of the said defendants is uncertain, untrue and insufficient to be replied unto by this repliant; without this, that any other matter or thing whatsoever in the said answer contained, material or effectual in the law to be replied unto, confessed and avoided, traversed or denied, is true; all which matters and things this repliant is and will be ready to aver and prove, as this Honorable Court shall direct; and humbly prays as in and by its said bill it has already prayed.

CHICAGO, August 27, 1896.

PRINDLE & RUSSELL,
Complainant's Counsel.

PAGE CUT OFF

22 Afterwards, to-wit, on the twenty-first day of June, 1897, in the December term of said Court, 1896, in the record of proceedings thereof in said entitled cause before the Hon. John W. Showalter, Circuit Judge, appears the following entry to-wit:

ORDER OF JUNE 21, 1897.

Hearl 1897.

Elgin National Watch Company
23,974 *vs.*
Illinois Watch Case Company, *et al.*

Now come the parties by their solicitors; now this cause comes on to be heard on pleadings and proofs filed herein. The Court, after hearing the arguments of counsel in full takes this matter under advisement.

Afterwards, to-wit, on the thirty-first day of March, 1898, there was filed in the clerk's office of said Court a certain Opinion by Judge Showalter, which said Opinion is in the words and figures following, to-wit:

OPINION.

Opir March

UNITED STATES CIRCUIT COURT, NORTHERN DISTRICT OF ILLINOIS.

Elgin National Watch Company, *Complainant*,
vs.
Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham.

In Equity.
No. 23,974.

23 SHOWALTER, *Circuit Judge.*

The complainant, under the name of National Watch Company, about 1865, commenced the business of manufacturing watch movements at the town of Elgin in Kane County, Illinois. From the first it placed on its watch movement as a mark of origin the word "Elgin." From this mark these movements, when cased and sold become known to the public as Elgin watches. In 1874, the complainant, apparently because its product had become known the world over as Elgin watches rather than as indicating the town at which its manufacturing operations were carried on, changed its

ued name to Elgin National Watch Company and thenceforward under that name continued the watch manufacturing business. The home office of the Elgin National Watch Company is in the City of Chicago; but its place of manufacture has always been and continues to be the town of Elgin. The watch-movements made by the
24 complainant are sold all over the world; that is to say, in all countries where watches are in use, and the mark "Elgin" on such watch-movement, usually on the dial, indicates to the trading public that such watch-movement was made at the manufacturing establishment which produces Elgin watches, namely, by the Elgin National Watch Company. This mark has this significance where the town of Elgin is entirely unknown. In other words, this mark used by complainant as here stated, performs distinctly the function of a trade-mark. It indicates in the trade-mark sense the origin of the watch-movement on which it is placed. Notwithstanding the fact, therefore, that the word "Elgin" is the name of a town and in that sense a geographical name, yet, since in this instance it answers the function of a trade-mark, my conviction is that it is a trade-mark and should be so treated. The theory of unfair competition in trade would here rest on the fact that the
25 mark of origin on the manufactured article is put on or attached to other articles of the same kind not made by complainant and for the purpose of representing such article as the product of complainant. This is, therefore, strictly a trade-mark case.

In 1876, the word "Elgin" was registered by complainant in the Patent Office at Washington under an Act of Congress subsequently declared unconstitutional and void. Afterwards, and in 1892, and under the present law (1881) on the subject, this word was again registered as a trade-mark by complainant.

The defendants manufacture watch cases. Their place of manufacture was formerly in Chicago. In 1890 they changed their location to Elgin with the purpose, as it seems to me, of giving some color of right to a designed trespass on complainant's good-will. The watch movement or time-keeping mechanism is the essential part of a watch. Case manufacturers have not usually put
26 marks of origin on their peculiar product—at least no such marks as would mislead touching the maker of the movement. There was and is but one establishment at Elgin in which watch movements are made, namely, that of complainant. Defendants place upon some of their watch cases the words "Elgin Tiger"; upon others, the words "Elgin Commander"; and upon others "Elgin Giant." They procured the registration of the words

"Elgin Tiger" in the Patent Office at Washington in December, 1893, and the words "Elgin Giant" in April, 1894. A watch case is intended to enclose a watch-movement. The customer buys the cased movement as a watch. I think the evidence shows very clearly that the intent of the defendants and the effect of what they did was to use the reputation of the complainant for the purpose of enabling inferior movements not made by the Elgin National Watch Company but enclosed in cases made by the defendants, to be
27 sold as Elgin watches. That is to say, the idea was that people familiar with, or having knowledge of, the article manufactured by the complainant might be induced to buy as an Elgin watch an inferior or different movement if placed in one of the cases made by the defendant and marked with the word "Elgin" in one of the combinations "Elgin Tiger" "Elgin Giant," or "Elgin Commander."

Opini March

The bill alleges that the watch-movement made by the complainant is intended for and is the subject-matter of commerce in foreign countries, but it does not contain the averment that the defendant's product is also sold in foreign countries, or intended for foreign commerce. It is a fair inference not only from matters put in evidence by the complainant, but also from the sworn statement made by defendants in procuring the registrations mentioned above, which statements were put in evidence by defenants, that
28 their product is also intended to be, and is in fact, the subject of foreign or international commerce. I think upon this showing complainant may be permitted to amend its bill in the respect here referred to and that a decree for an injunction may go.
(Endorsed) Filed March 31, 1898. S. W. Burnham, Clerk.

Afterwards to-wit: on the twelfth day of April, 1898, in the December term of said Court, 1897, in the record of proceedings thereof in said entitled cause before the Hon. John W. Showalter, Circuit Judge appears the following entry to-wit—

Order Bill, A

ORDER OF APRIL 12, 1898.

Elgin National Watch Company,
vs
Illinois Watch Case Company. } 23974.

On motion of Messrs. Banning and Banning, solicitors for defendants, it is ordered that the complainant be required to amend

its bill in this cause, and present draft of decree pursuant to the decision announced herein on the 31st day March, 1898, within fifteen days from this date.

29 Afterwards to-wit: on the twenty seventh day of April, 1898, came the complainant in said entitled cause by its solicitors and filed in the clerk's office of said court its Amended Bill, which said Amended Bill is in words and figures following to-wit:

AMENDED BILL.

Bill,
, 1898.

UNITED STATES CIRCUIT COURT NORTHERN DISTRICT OF ILLINOIS—NORTHERN DIVISION.

Elgin National Watch Company, *Complainant*,
vs.
Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham, *Defendants.*
} In Equity.

AMENDED BILL.

To the Honorable Judges of the Circuit Court of the United States for the Northern District of Illinois.

30 The Elgin National Watch Company, a corporation created and organized under the laws of the State of Illinois, having its principal place of business at Elgin, and its office at Chicago, in said State of Illinois, complainant, brings this its bill of complaint against the Illinois Watch Case Company, a corporation created and organized under the laws of the State of Illinois, and having its principal place of business at said Elgin, Illinois, Thomas W. Duncan, of said Elgin, president, treasurer and superintendent, and Myer Abraham, of said Elgin, secretary of said Illinois Watch Case Company, said Duncan and Abraham being citizens of the State of Illinois, defendants.

1. And thereupon your orator complains and says: That prior to the 11th day of April, A. D. 1868, your orator was engaged in the business of manufacturing watches at Elgin, Illinois, which was then a small town containing no other manufactory of watches and watch-movements, and that said watches and watch-movements,
31 so made by your orator, had become known all over the world,

and had been largely sold and used not only in this but in foreign countries. A filed

2. Your orator further informs your honors that at and before said 11th day of April, A. D. 1868, your orator had adopted the word "Elgin" as a trade-mak for its said watches and watch-movements; that said trade-mark was marked upon the watches and watch-movements made by your orator, both upon those which entered into commerce in this country and those which were exported to and sold in foreign countries; that your orator's watches became known all over the world as Elgin watches, and their origin and source, as a product of your orator's manufacture, were distinguished from those of all other watches manufactured in any part of the world by said distinguishing word or trade mark "Elgin"; that from said 11th day of April, A. D. 1868, to the present time, your orator, both in the goods manufactured and sold by it in
32 this country and those exported by it to and sold in foreign countries, has continued to use said trade-mark upon its watches and watch movements and is still using it, and that said trade-mark has always served and still serves to distinguish your orator's product from that of all other manufacturers.

3. Your orator further shows unto your honors that at the time of its adoption of said trade-mark no other person, firm or corporation engaged in the manufacture or sale of watches was using the word "Elgin" as a trade-mark or as a designation to designate its goods from those of other manufacturers, and that your orator had the legal right to appropriate and use the said word as its lawful trade-mark for its watches and watch-movements.

4. Your orator further shows unto your honors that the
33 watches and watch-movements made by your orator have achieved a very great reputation throughout the world, and that such reputation is of great commercial value to your orator in its business aforesaid.

5. Your orator further shows unto your honors that on the 19th day of July, A. D. 1892, under the act of Congress relating to the registration of trade-marks, your orator caused said trade-mark to be duly registered in the Patent Office of the United States according to law, as by the certificate of said registration or a copy thereof, duly certified by the Commissioner of Patents, here in Court to be produced will more fully and at large appear.

6. Your orator further shows unto your Honors that within years last past the defendants wrongfully contriving and seeking to

Bill, 1898. avail themselves of the benefit of your orator's said trade-mark, to profit by the great reputation of your orator's watches and
34 watch-movements and to deceive the public into purchasing, as your orator's watches, watches not made by your orator, but of a quality greatly inferior to those made by your orator, have unlawfully and in violation of your orator's rights, as aforesaid, appropriated and used your orator's said trade-mark upon their own manufacture; that the defendants have done this by engraving or otherwise affixing the word "Elgin" to the watch-cases made and sold by them; that such watch-cases are adapted to receive watch-movements of different construction from those made by your orator; that inferior watch-movements are liable to be, and often are, encased in them; and that, when so encased, the entire watch, including both movement and case, appears upon the market with your orator's trade-mark upon it, thereby leading the public to believe that said watch, as an entirety, was made by your orator, and enabling the parties wrongfully using your
35 orator's trade-mark as aforesaid to profit by the great reputation of your orator, to palm off other and inferior goods as goods made by your orator, to injure the reputation of your orator as a watchmaker, and to deprive your orator of a portion of the business and patronage which your orator would otherwise receive from the public; that the watch-cases so manufactured and marked by the defendants as aforesaid in violation of your orator's rights are intended by the defendants to be sold in foreign countries and are, in fact, exported to and sold in foreign countries; that your orator in its business aforesaid has been greatly damaged and injured by such wrongful use of its trade-mark by the said defendants, and that if the same shall continue it will work to your orator irreparable damage and injury, in and about its business aforesaid.

7. Your orator further informs your honors that it has noti-
36 fied the said defendants of its exclusive right to said trade-mark and of their wrongful infringement of the same as aforesaid, and has requested them to desist therefrom, but that the said defendants have declined and refused, and still decline and refuse to desist from their unlawful appropriation of your orator's said trade-mark, and threaten to continue the same.

All of which actings and doings are contrary to equity and good conscience and tend to the manifest wrong and injury of your orator in the premises.

In consideration whereof, and forasmuch as your orator is remediless at common law, and can have adequate relief only in this honorable court, where most matters of this sort are properly cog-

nizable and relievable; to the end, therefore, that the defendants may, if they can, show why your orator may not have the relief hereby prayed and may, according to the best and utmost of
37 their knowledge, remembrance, information and belief, full, true, direct and perfect answer make to all and singular the premises and may be compelled by decree of this court to pay to your orator the damages occasioned to it by the defendant's said unlawful infringement of said trade-mark, and to pay the costs of this suit, and to desist from further infringing your orator's rights in the premises. May it please your Honors, the premises being considered, to grant unto your orator writ or writs of injunction under the seal of this Honorable Court, and, according to law, perpetually enjoining and restraining the defendants, to-wit, the Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham, their clerks, attorneys, agents and workmen, from directly or indirectly making or selling any watch-case or watch-cases marked with your orator's said trade-mark, and from using your orator's said trade-mark in any way upon watches or watch-cases or in the defendants' printed advertisements, circulars, labels, or the
38 boxes or packages in which their said watch-cases are put up or exposed for sale; and that your orator may have such other and further relief in the premises as the nature of the case may require and to your honors shall seem meet.

Amended A filed A

And may it please your Honors, to grant unto your orator a writ or writs of subpœna of the United States of America, directed to the said defendants, the Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham according to law, commanding them and each of them, on a certain day and under a certain penalty therein to be mentioned, to be and appear in this Honorable Court, then and there to answer all and singular the premises, and to stand to, perform and abide such further order direction and decree as may be made against them.

And your orator as in duty bound will ever pray, etc.

PRINDLE AND RUSSELL,
Solicitors for Complainant.

39 LYSANDER HILL,
Of Counsel for Complainant.

STATE OF ILLINOIS, } ss.
COUNTY OF COOK, }

THOMAS M. AVERY being duly sworn, deposes and says that he is the President of the Elgin National Watch Company, the complainant in the foregoing bill of complaint; that he has read the

Bill, 1898. same and knows the contents thereof; that the same is true of his own knowledge, except in those matters therein stated to be on information and belief, and as to those matters he believes it to be true.

THOMAS M. AVERY.

Subscribed and sworn to before me this 27th day of April, 1898.

D. WILEY MCCAUGHEY,
Notary Public

[SEAL.]

(Endorsed) Filed April 27, 1898. S. W. Burnham, Clerk.

40 On the same day to-wit: the twenty seventh day of April, 1898, in the December term of said court 1897, in the record of proceedings thereof in said entitled case before the Hon. John W. Showalter, Circuit Judge appears the following entry to-wit:

pril

DECREE OF APRIL 27, 1898.

Elgin National Watch Company,
vs.
Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham. } 23974.

This cause having come on to be heard upon the pleadings and proofs, and been fully argued by counsel for the complainant and the defendants, respectively, and taken under advisement by the court, and the court being now fully advised in the premises,

41 it is hereby adjudged, ordered and decreed, that the word "Elgin" as used by the complainant on watches manufactured and sold by it, is a lawful trade-mark therefor, that the complainant is the owner of said trade-mark, and is entitled to the exclusive use thereof as a trade-mark for watches and the parts entering into the construction of watches, that the complainant, having acquired the common law title to the exclusive use of said trade-mark for watches, by its appropriation thereof in the month of January, 1865, and its continual use of the same from that time to the 19th day of July, A. D. 1892, to distinguish watches of its manufacture from all other watches, and having used said trade-mark on its watches sold in this country and on its watches sold in foreign countries and to the Indian tribes, and having in all respects complied with the requirements of the Act of Congress for the regis-

tration of trade.marks, did on said 19th day day of July, A. Decr
92 D. 1892, duly register said trade-mark in accordance with the 27,
provisions of said Act and has ever since continued the use of
he same upon watches of its manufacture, that, after the registra-
ion thereof as aforesaid and before the commencement of this suit
he defendants, without the consent or allowance of the complain-
nt, used the word "Elgin" as a trade-mark upon watch-cases
nanufactured by them in this country for sale in this and foreign
ountries and which were actually sold both in the United States
nd in foreign countries sometimes using said word in combination
vith other words such as "Elgin Commander," "Elgin Tiger,"
nd "Elgin Giant"; and that in the years 1893 and 1894, the de-
endant, Illinois Watch Case Company registered the words "Elgin
Tiger" and "Elgin Giant" as its trade-marks for watch-cases.

It is further adjudged, ordered and decreed, that the use of said
43 word "Elgin" by the defendants as aforesaid, whether alone
or in connection with other words as aforesaid was a violation
nd infringement of the complainant's exclusive rights in the prem-
ses that an injunction issue forthwith permanently enjoining and
estraining the defendants, Illinois Watch Case Company, Thomas
W. Duncan and Myer Abraham, and each of them, their and each
of their agents, servants, workmen, employes, and attorneys, from
lirectly or indirectly making or using the word "Elgin" whether
alone or in connection with other words or devices, upon watches,
watch-cases, or packages containing watches or watch-cases going
into commerce with foreign nations or with the Indian tribes in such
a way as to be liable to cause purchasers or others to mistake said
watches or the watch-movements encased in said watch-cases, for
watches or watch-movements manufactured by the complainant.
44 And the complainant having waived an accounting, it is fur-
ther adjudged, ordered and decreed that the complainant re-
cover from the defendants the costs of this suit, to be taxed by the
clerk, and have execution therefor.

And on the same day, to-wit, the twenty-seventh day of April,
1898, came the defendants in said entitled cause by their solicitors
and filed in the clerk's office of said court a certain motion to amend
the decree, which said motion is in the words and figures follow-
ing, to-wit:

MOTION TO AMEND DECREE.

end
lled

CIRCUIT COURT OF THE UNITED STATES, NORTHERN DISTRICT OF ILLINOIS.

Elgin National Watch Case Company, *Complainant;*
vs.
Illinois Watch Case Company, Thomas W. Duncan and Meyer Abraham, *Defendants.* } In Equity.

45 Upon the presentation by the complainant of the draft of a final decree to be entered herein, the defendants move that the draft of such decree be so amended as to limit the complainant's trade-mark to use in connection with watch-movements, and not on watches generally that all reference to the use of the trade-mark by the complainant and the defendants to watch-movements or watch-cases sold in the United States of America be eliminated; and that at the end of the enjoining clause there be added a qualification, as follows:

Provided, however, that nothing herein contained shall prevent the defendants, or either of them, from using the word "Elgin" upon their watch-cases, or upon packages containing their watch-cases, to indicate or inform the public that they are manufactured at Elgin, Illinois, and that the defendants' place of busines is Elgin, Illinois, nor to prevent the defendants, or either of them, from using the word "Elgin" upon watch-cases containing watch-
45*a* movements of the plaintiff's manufacture, or which are truly made at Elgin, Illinois, or to prevent the defendants, or either of them, from using the word "Elgin" upon their watch-cases, or upon packages containing their watch-cases to be sold in the United States of America.

The defendants further move that inasmuch as it appears by the evidence that the defendants offered, without suit and before litigation, to do everything which the court now enjoins them from doing, the defendants recover from the complainant the costs of this suit, to be taxed by the Clerk, and have execution therefor.

BANNING & BANNING,
Solicitors for Defendants.

(Endorsed): Filed April 27, 1898. S. W. Burnham, Clerk.

45½ On the same day to-wit: the twenty seventh day of April, 1898, in the December term of said Court, 1897, in the record of proceedings thereof in said entitled cause before the Hon. John W. Showalter, Circuit Judge, appears the following entry to-wit:

ORDER ENTERED APRIL 27, 1898.

Order o Motion Decree, 1898.

Elgin National Watch Company,
vs.
Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham. } 23974.

The parties being present by their solicitors. The defendants move the Court to amend the decree entered of this date so as to limit the complainant's trade-mark to use in connection with watch-movements, and not on watches generally that all reference to the use of the trade-mark by the complainant and the defendants to watch-movements or watch cases sold in the United States of America be eliminated. The Court after considering said motion and being now fully advised overrules said motion.

46 Afterwards to-wit: on the fourteenth day of May, 1898, came the defendants in said entitled cause by their solicitors and filed in the clerk's office of said court their Petition for Appeal and Assignment of Errors, which said Petition and Assignment of Errors are in words and figures following to-wit:

PETITION FOR APPEAL AND ASSIGNMENT OF ERRORS.

Petitic peal an ment o filed Ma

CIRCUIT COURT OF THE UNITED STATES NORTHERN DISTRICT OF ILLINOIS—NORTHERN DIVISION.

Elgin National Watch Company,
Complainant,
vs.
Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham,
Defendants. } In Equity. No. 23,974.

And now come the said defendants, by Banning and Banning, their solicitors, and having prayed an appeal to the United States Circuit Court of Appeals for the Seventh Circuit, from the final decree of said Circuit Court entered in this cause on the 27th day

or Ap- of April, 1898, in favor of the complainant for an injunction and
ssign- for costs of suit, respectfully represent, as grounds of appeal and
Errors, as an assignment of error herein, that said Circuit Court erred in
, 1898, the following particulars:

I. In holding that the complainant had a trade-mark in the word or name "Elgin."

47 II. In holding that the defendants in the use of the word "Elgin" as used by them, infringed upon such trade-mark.

III. In holding that the complainant was entitled to protection in the name or word "Elgin" and in giving it protection in the use of such name against the defendants.

IV. In entering a decree in favor of the complainant and in not entering a decree in favor of the defendants and in not dismissing the bill of complaint in this cause for want of equity.

V. In not amending the decree as requested by the defendants in their written motion at the time of the entry of the decree.

VI. In denying the motion of the defendants to have the decree amended as specified in their written motion to that effect.

BANNING AND BANNING,
Solicitors for Defendants.

(Endorsed) Filed May 14, 1898. S. W. Burnham, Clerk.

48 On the same day to-wit: the fourteenth day of May, 1898, i
the December term of said court, 1897, in the record of pro
owing ceedings thereof in said entitled cause before the Hon. John W
ay 14. Showalter Circuit Judge appears the following entry to-wit—

ORDER ALLOWING APPEAL.

Elgin National Watch Company,
vs.
Illinois Watch Case Company, *et al.* } 23,974.

Now come the defendants by their solicitors and present their pe
tition for appeal to the United States Circuit Court of Appeals fo

the Seventh Circuit from the decree entered herein on April 27, 1898, and also file their assignments of error. Ord Appe 1898.

It is ordered by the Court that said appeal be allowed upon the defendants filing a bond in the penal sum of one thousand ($1,000) dollars with security to be approved by the Court.

49 On the same day, to-wit, the fourteenth day of May, 1898, came the defendants in said entitled case as principals, and Max C. Eppenstein as surety and filed in the clerk's office of said Court a certain Appeal Bond, which said Appeal Bond is in words and figures following, to-wit:

APPEAL BOND. Ap filed

Know all men by these presents, That we, Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham as principal and Max C. Eppenstein as sureties, are held and firmly bound unto Elgin National Watch Company in the full and just sum of one thousand dollars to be paid to the said Elgin National Watch Company, its certain attorney, executors, administrators or assigns; to which payment, well and truly to be made, we bind ourselves, our heirs, executors and administrators, jointly and severally by these presents. Sealed with our seals and dated this thirteenth
50 day of May, in the year of our Lord one thousand eight hundred and ninety. Whereas, lately at a session of the United States Circuit Court for the Northern District of Illinois, in a suit depending in said court between Elgin National Watch Company, complainant, and Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham, defendants, a decree was rendered against the said Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham, and the said Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham having obtained an appeal and filed a copy thereof in the clerk's office of the said court to reverse the decree in the aforesaid suit, and a citation directed to the said Elgin National Watch Company, citing and admonishing it to be and appear at a United States Circuit Court of Appeals, for the Seventh Circuit, to be holden at Chicago within days from the date hereof.

51 Now, the condition of the above obligation is such, that if the said Illinois Watch Case Company, Thomas W. Duncan and

ond, 1898. Myer Abraham shall prosecute their appeal to effect and answer all damages and costs if they fail to make their plea good, then the above obligation to be void, else to remain in full force and virtue.

Sealed and delivered in presence of:
E. EDELSTEIN,
WALLACE JEFFERY.

ILLINOIS WATCH CASE CO.
By T. W. DUNCAN, Prest. (SEAL).
T. W. DUNCAN, (SEAL).
M. ABRAHAM, (SEAL).
M. C. EPPENSTEIN. (SEAL).

Approved by:
JOHN W. SHOWALTER,
Circuit Judge.

This bond is satisfactory.
L. HILL,
Complt's Counsel.

(Endorsed): Filed May 14, 1898. S. W. Burnham, Clerk.

UNITED STATES CIRCUIT COURT, NORTHERN DISTRICT OF ILLINOIS, NORTHERN DIVISION.

Elgin National Watch Company,
Complainant,
vs.
Illinois Watch Case Company,
Thomas W. Duncan and Myer Abraham,
Defendants.
} In Equity.

Testimony taken in the above-entitled cause this 8th day of December, 1896, by consent, on behalf of the complainant, before me, L. A. Gardiner, Notary Public, at the office of Mr. Lysander Hill, No. 1133 Monadnock Building, Chicago, Ill.

Present: Mr. Lysander Hill and Mr. George S. Prindle, for complainant, and Mr. Ephraim Banning, of Banning & Banning & Sheridan, for defendants.

Adjourned until 2 o'clock P. M.

Two o'clock P. M., September 8, '96. Met pursuant to adjournment. Present as before.

Adjourned until 10 o'clock, September 9.

Ten o'clock, September 9, 1896. Met pursuant to adjournment. Present as before.

It is agreed that testimony in this case may be taken orally by question and answer under Equity Rule 67, as amended, and that any notary public not disqualified by interest or relationship may act as examiner in the taking of testimony during the progress of the case.

It is also agreed that the parties will waive certification of printed copies of trade-marks and Patent Office drawings and specifications.

It is also agreed that counsel for each party may, until

the hearing, retain control of the exhibits filed on part of his client, subject to the reasonable inspection of the opposite party and its counsel.

Complainant's counsel offer in evidence a certified copy of the certificate of registration of trade-mark No. 21,462, registered to complainant July 19, 1893, the same being for the trade-mark "Elgin," upon which the complaint is based, the same to be marked in evidence "Complainant's Exhibit Certificate of Trade-Mark."

GEORGE HUNTER, being first duly sworn, deposes and says, in answer to interrogatories propounded by complainant's counsel, as follows:

Q. 1. Please state your name, age, residence and occupation.

A. George Hunter; age, sixty-one years; residence, Elgin, Ill.; occupation, superintendent of the Elgin National Watch Company.

Q. 2. State whether or not you have been connected with the establishment now known as the Elgin National Watch Company from the time of its first commencing business.

A. I have.

Q. 3. Where did it first commence its manufacturing business?

A. At Elgin, Ill.

Q. 4. Has its manufactory been located there ever since?

A. It has.

Q. 5. When did it first commence its manufacturing business at Elgin?

A. January 1st, 1865.

Q. 6. About how large a town was Elgin at that time?

A. I should say between four and five thousand population.

Q. 7. About how large a town is it now?

A. Probably, at the present time, 22,000 population.

Q. 8. What manufactories were there in Elgin when the Elgin Watch Company began to manufacture there?

A. I don't recall anything that could be dignified by the name of manufactories. There was a woolen mill there that carded rolls and made some kind of cloth.

Q. 9. At that time, January 1st, 1865, what was the nearest watch factory to Elgin, Ill., and where were its works located?

A. At Hudson City, New Jersey—the United States Watch Company, Giles, Wales & Co., proprietors.

Q. 10. At the time when the Elgin Watch Company began to manufacture at Elgin, how many watch factories were there in the United States, and what were they?

A. There were only two that were manufacturing watches at that date—the American Watch Company at Waltham, the E. Howard Watch Company at Boston. The United States Watch Company at Hudson City, New Jersey, was not at that time manufacturing. It had organized its company a few months before and were building their plant.

Q. 11. What was the name of your company under which it first began business?

A. The "National Watch Company."

Q. 12. Was that name afterwards changed? If so, to what?

A. It was changed to the "Elgin National Watch Company."

Complainant's counsel offer in evidence a certified copy of the Act of the Legislature of the State of Illinois, approved February 15, 1865, entitled "An

Act to Incorporate 'The National Watch Company,'" the same to be marked "Complainant's Exhibit Act of Incorporation."

Also a certified copy of the proceedings by which the name of said company was changed to "Elgin National Watch Company," on the 12th day of May, 1874, same to be marked "Complainant's Exhibit Change of Corporate Name."

Q. 13. This company, whose original charter and change of name I have put in evidence, is the complainant company in this suit, and the company with which you are connected, is it?

A. It is.

Q. 14. Please give the court an idea of how successfully the business of that company was carried on, how extensive it became, and how it grew from year to year, until the present year.

A. It grew from small beginnings at the first issue of watches in 1866 up to a product of 2,100 watch-movements per day in the year 1892. My opinion is that we have produced the largest product of any watch company in the world.

Q. 15. By what name did the watches made by your company become known?

A. As "Elgin Watches."

Q. 16. How generally did they become known to the world as Elgin watches?

A. Wherever they became known at all.

Q. 17. What has been the reputation of the watch-movements of your company throughout its manufacturing history?

A. I should say as good as the best.

Q. 18. State whether or not your company has al-

ways made great effort to build up and maintain a high reputation for the quality of its goods and the uprightness of its dealings.

A. I am more familiar with the first part of the question—its constant aim has been to maintain the quality of its products. I have never heard any aspersions on its uprightness.

Q. 19. State whether or not upon the watch-movements which your company manufactures you place the word "Elgin."

A. On all the watch-movements the word "Elgin" appears.

Q. 20. For how long a time has your company been in the habit of placing the word "Elgin" upon its movements?

A. From the time the first movement was produced.

Q. 20. When your company began using the word "Elgin" on its watch-movements, was any other watch-manufacturing, case-manufacturing or movement-manufacturing concern using the word "Elgin" on watches, watch-movements or watch-cases?

A. Not to my knowledge—I never heard of any.

Q. 21. Where is the principal office of your company located?

A. At 76 Monroe street, Chicago.

Q. 22. Was it always in Chicago?

A. It was.

Q. 23. Is the full style of your company "Elgin National Watch Company of Chicago"?

A. The full style, as I understand it, is "The Elgin National Watch Company of Chicago."

Q. 24. Where are the works of the defendant, the "Illinois Watch Case Company," located?

A. At Elgin, Illinois.

Q. 25. How long have they been there?

A. From memory, I should say about six years.

Q. 26. Is their manufactory a large one or not?

A. It is not a large one.

Q. 27. I show you a photograph, and ask if you recognize it as a picture of the factory building of the Illinois Watch Case Company at Elgin, Illinois?

A. Yes, sir; I think it shows that company's building. The Illinois Watch Case Company has been manufacturing bicycles also. I don't know whether it is the same company, but it is the same management, and its business is conducted in an extension of the same building.

Q. 28. Please mark on the photograph the point of division between the watch-case factory and the bicycle factory, and explain which part of the building is occupied by each.

A. The line of division is the fire-wall shown in the picture and which I have marked "X." To the left of the point "X" is the watch-case factory, and to the right of the point "X" is the bicycle factory.

Complainant's counsel offer said photograph in evidence, to be marked "Complainant's Exhibit Photograph of Works of Illinois Watch Case Company."

Q. 29. How has your company been accustomed to mark the word "Elgin" upon its watch-movements?

A. Engraved on the plates, or painted on the dial, or both.

Cross-Examination by Mr. Banning.

X Q. 30. How long have you been superintendent of the Elgin National Watch Company?

A. Since May, '71.

X Q. 31. What was your position before that time?

A. I was superintendent of machinery.

X Q. 32. Were you a stockholder or officer in the company at the time it first started business, or have you been since that time?

A. I was not a stockholder or officer at the start. I was an employé of the company, as I stated—superintendent of the machinery.

X Q. 33. I suppose the company located its works at Elgin because it considered it a good place to manufacture; is this correct?

By defendants' counsel: Objected to as calling for a mere opinion—witness not being an officer of the company at the time.

A. I don't know what the specific reasons were for locating there.

X Q. 34. Have you ever heard of any other reason?

By Mr. Hill: Objected to as calling for hearsay.

A. I understood at the time that it was conditioned upon the subscription by the citizens of Elgin of a certain amount of capital stock and the donation of a certain amount of land.

X Q. 35. As a matter of fact, you have found Elgin, Ill., a very satisfactory place for your factory, have you not?

A. Well, I should say we largely made it so. It has been satisfactory.

X Q. 36. The Elgin National Watch Company is engaged in the manufacture of watch-movements, and always has been; is this correct?

A. It is correct.

X Q. 37. Has it ever manufactured other parts of watches than the movements?

A. No.

X Q. 38. Have any of your watch-movements ever been marked with the word "Elgin," except in connection with other words, the whole reading "Elgin National Watch Co." or "Elgin National Watch Co., Elgin, Ill."?

A. No; they have not, on the plates; we mark simply "Elgin" on the dials.

X Q. 39. The dial of my watch here present contains the words "Elgin National Watch Co." and the dial on your own watch just shown me contains the same words. Do you mean by the last part of your preceding answer that it has been customary for the Elgin National Watch Company to mark the dials in any other way than as shown in your watch and mine here present?

A. I mean that they mark the word "Elgin" on the watch-dials very largely. The mark on your watch-dial and mine is practically discarded.

X Q. 40. How long since has this change been made from the words on the dial of your watch and mine to the single word "Elgin" on the dials?

A. About a year.

X Q. 41. Before that time the other words used on the dials of your watch and mine were the only ones used on the dials. Is this correct?

A. I mean to be understood that the words "Elgin National Watch Co." on the dials has been discarded—not that it has never been used. The word "Elgin" alone has always been used on the dial of a part of the product, notably on 6 and 0 sizes, on which it has always been used.

X Q. 42. How long have you been manufacturing these 6 and 0 sizes?

A. From memory I should say the 6 size was introduced in '77; the 0 size two or three years later.

X Q. 43. The dials of most of your company's

watches, however, are marked with the words shown on the dials of your watch and mine, are they not?

A. Yes, they are.

X Q. 44. And that always has been the case, has it not?

A. Yes.

X Q. 45. Do you consider the word "Elgin" alone to be the same as the words "Elgin National Watch Co." when used on the dials of watches?

By defendants' counsel: Objected to as incompetent.

A. I consider it more effective.

X Q. 46. By this I understand you to mean that you consider the word "Elgin" to be materially different from the words "Elgin National Watch Co." Is this correct?

By defendants' counsel: Objected to as incompetent.

X Q. 47. What means an "Elgin watch"?

A. The word "Elgin" when it appears on a watch, or in connection with a watch.

Re-Direct Examination by Defendants' Counsel, de bene esse.

R-D-Q. 48. In the last cross-interrogatory you were asked "What means an Elgin watch?" to which you answered, "The word 'Elgin' when it appears on a watch." When the words "Elgin National Watch Company" appear on a watch, do they or do they not mean the same thing as the word "Elgin" does when it alone appears on the dial?

A. I should say they do mean the same thing. The word "Elgin" or "Elgin National Watch Company" mean that the watch was manufactured by the Elgin Na-

tional Watch Company. It would be so understood, and it means all that the reputation of that company implies.

By Mr Banning: In accordance with the understanding I have had with complainant's counsel that objections could be noted at the end of the deposition with the same force and effect as if noted after each question or answer, I now object to the foregoing deposition and each and every question and answer thereof as immaterial, irrelevant and incompetent.

George Hunter.

Sworn to and subscribed before me this 10th day of September, 1896.

L. A. Gardiner,
Notary Public.

[seal.]

JOHN M. CUTTER, being first duly sworn, deposes as follows, in answer to interrogatories propounded by complainant's counsel:

Q. 49. Please state your name, age, residence and occupation.

A. Name, John M. Cutter; age, forty-three; residence, Chicago, Ill.; occupation, general agent of the Elgin National Watch Company.

Q. 50. What duties are comprised within the scope your official capacity as general agent?

A. General supervision of the commercial part of the business.

Q. 51. How long have you been in the employ of the Elgin National Watch Company?

A. Since December 11, 1876.

Q. 52. How long have you been its general agent?

A. Since May 1st, 1884.

Q. 53. What positions did you hold before May 1st, 1884?

A. My time was occupied in rewriting and adjusting our foreign business, and the rewriting, practically, the history of the company up to the time of the fire, in '71, and other clerical duties between the factory at Elgin and the general offices in Chicago.

Q. 54. Has the company a large foreign trade in its movements?

A. It has a considerable foreign trade.

Q. 55. Has it always had, since you have been connected with it, considerable foreign trade?

A. It has.

Q. 56. How widely in foreign countries is this trade diffused?

A. To every civilized country whose inhabitants carry watches.

Q. 57. What have you to say of the extent of your trade in this country?

A. Elgin watches are sold in every section of the United States.

Q. 58. You speak of the watches of your company as "Elgin watches;" why do you use that term?

A. They have always been extensively advertised as "Elgin watches," and we have used the expression ever since I have been connected with the company.

Q. 59. By what name are your watches known the world over?

A. They are known as "Elgin watches."

Q. 60. And yet your company, if I understand the matter correctly, is a Chicago company?

A. Yes, sir.

Q. 61. The defendants take the position that the word "Elgin" is used in connection with your watch-move-

ment to indicate the geographical location where the movements are made, and to inform the public of the site of your manufactory; what have you to say about that?

A. The fact that the factory is located at Elgin is but very little known among the general public. Our immediate trade, known as the "jewelery trade," are, in the main, aware that the Elgin watch factory is located at Elgin. I have been asked repeatedly since my connection with the Elgin Company, "Where is your factory located?" In advising them "at Elgin" they would want to know where that place was. This inquiry has been made by people familiar with the name "Elgin watches."

Q. 62. Would you or would you not say that in its relation to your watches or watch-movements the name "Elgin," as the name of your movement, has ceased to have much, if any, geographical significance, and has become the mere trade-name of your watches?

A. I should say that with the public the name "Elgin watches" never had any geographical significance, but was wholly known to them as the name of the watch.

Q. 63. What is the reputation in the trade and with the public of the watch-movements made by your company?

A. That they have no superior as time-pieces.

Q. 64. Do you know whether or not your company has always made particular efforts to establish and maintain a high reputation for the excellence of its manufactures and for fair dealing with its customers?

A. One of the first requisites of Elgin watches has been quality—a high standard of quality—the highest standard of quality for each different grade of watch-movement manufactured. The company in its commer-

cial relations has always observed strict commercial integrity in all of its dealings with its customers.

Q. 65. State whether or not this reputation for excellence in its product and integrity in its business is now, and has always been since you were connected with the company, of great value to the company and its business.

A. The greatest value conceivable. In fact, had it not been for the most thorough establishment of quality and commercial integrity there would have been no value to the name "Elgin watches."

Q. 66. Does the word "Elgin" appear on the watch-movements manufactured and sold by your company?

A. The word "Elgin" is engraved on the plates or printed on the dial, or both.

Q. 67. On those which enter into foreign trade, as well as those sold at home?

A. On every watch-movement we ever manufactured the word "Elgin" has appeared as above stated.

Q. 68. When customers of retail watch dealers throughout the country or abroad desire to purchase a watch having a movement made by your company, do you know what they are in the habit of inquiring for?

A. They ask for an Elgin watch.

Q. 69. And is that word used throughout the world to distinguish watches containing movements made by your company from all other watches?

A. Yes, sir.

Adjourned until 2 o'clock P. M.

Two o'clock P. M. Met pursuant to adjournment. Present as before.

Q. 70. Has your company ever marked the dials of its watches with the word "Elgin" alone?

A. It has.

Q. 71. How long has it done that?

A. For the past twenty years, to my positive knowledge.

Q. 72. What sizes of watches has it thus marked?

A. 10 size, 8 size, 6 and 0 sizes.

Q. 73. How long has it thus marked these several sizes?

A. The company began marking the dials with the word "Elgin" alone when it first issued the 10 size, which was about twenty years ago. The 8 size followed next, so marked, about the year '77; and the 6 size followed next—possibly three or four years afterward; the 0 size was the last, which we have been manufacturing, I should say, about ten years.

Q. 74. How many different grades of watches has your company been in the habit of manufacturing during the last twenty years?

A. Fully a hundred different grades of movements.

Q. 75. State whether or not during the last twenty years your company has made changes and improvements in the construction of its watch-movement.

A. Yes; a great many.

Q. 76. Have you made any radical changes in their construction during that time?

A. Yes, sir.

Q. 77. About when? And in what did they consist?

A. About the year 1885, and notably the introduction of pendant-set watches.

Q. 78. Through all the changes of construction which have been adopted by the company in its watch-movement, and in all the different grades which they have put out, has the word "Elgin" been used upon them all, and the name "Elgin Watch" been commonly used to designate them all?

A. Yes, sir.

Q. 79. Then the word "Elgin," if I understand your testimony correctly, has not been used to indicate any peculiar construction of watch nor any specific grade of watch, but only to distinguish the watches made by your company from all other watches; am I correct in this?

A. Yes, sir; you are.

Q. 80. Under what name does your company advertise its goods?

A. To the public, always as "Elgin watches."

Q. 81. Can you state, exactly or approximately, what amount of money the company has expended in advertising its goods under this name?

A. I can only state approximately. The company has expended in advertising Elgin watches several hundred thousand dollars.

Q. 82. How many watch-movements has your company manufactured?

A. Very close to seven million.

Q. 83. How many workmen does your company employ when times are normally good?

A. They have employed more than thirty-two hundred at one time.

Q. 84. Do you know how long the defendant, the Illinois Watch Case Company, has been manufacturing watch-cases at Elgin, Illinois?

A. I believe they commenced the manufacture of cases in Elgin in the year 1890.

Q. 85. Were they in business anywhere before that time, and if so, where?

A. Yes, sir; they were manufacturing cases in Chicago prior to that time.

Q. 86. Then about 1890 they moved their manufactory from Chicago to Elgin, did they?

A. Yes, sir.

Q. 87. Before they moved their manufactory from Chicago to Elgin, under what name were they operating and how did they mark their goods or designate them in the market?

A. They were manufacturing under the name of the "Illinois Watch Case Company," and I do not remember that they were selling their cases under specific names. They were sold, as I remember, by the quality—as fourteen karat, ten karat, gold-filled cases—a certificate accompanying each case designating its quality.

Q. 88. State whether or not the defendants, after moving their works to Elgin, made any effort to acquire the use of the name "Elgin" as a part of their corporate name, and if yea, give a history of the transaction.

A. They did. Directly after their moving to Elgin information reached us that they were about to incorporate under the name of the "Elgin Watch Case Company." To prevent the consummation of this, the Elgin Company, through its representatives, immediately applied to the Secretary of State for a license to incorporate the Elgin Watch Case Company, which was granted, and such an organization was completed by us. Immediately following this action an application was made by the defendants to incorporate the "Elgin National Watch Case Company." Such license was granted, and upon public notice of such incorporation we proceeded immediately to contest their right to such name on the grounds of simulating our name; and a decision was finally granted permanently restraining the defendants from using the name "Elgin National Watch Case Company," since which time they have been operating under their old name as used in Chicago—the "Illinois Watch Case Company."

Q. 89. By what court was that injunction granted?

A. By the Circuit Court of Cook County, Illinois, in 1892, Judge Horton presiding.

Complainant's counsel give notice that they will file a certified copy of Judge Horton's opinion in that case in evidence here.

Q. 90. After the defendants were enjoined from using the name "The Elgin National Watch Case Company," as you have stated, what, if anything, did they then proceed to do in order to profit by the use of the word "Elgin" in connection with their watch-cases?

A. At or about that time they adopted the trade-marks "Elgin Commander," "Elgin Giant" and "Elgin Tiger." These trade-marks were at first only printed upon certificates which accompanied each case; afterwards the trade-marks were in various manner stamped upon the cases. In watch-case No. 96,052 made by the defendant, the Illinois Watch Case Company, is stamped on the back "Elgin Commander," underneath appearing the numbers as above. On the inside of the cap of the case is stamped "Guaranteed Elgin 14 K 20 years," over the number as above. In addition to this there is a certificate bearing the above number, 96,052, which contains their registered trade-mark, "Elgin Commander." Another instance is in a watch-case manufactured by the defendant, the Illinois Watch Case Company, stamped on the inside of the cap of the case "Elgin," over the outline of a tiger; underneath, the word "Tiger" over the number of the case, 72,470. Accompanying this case is a certificate bearing the number 72,470 and their trade-mark, "Elgin Tiger."

Q. 91. Please state where these two watch-cases to which you referred in your last answer were obtained, and by whom.

A. They were purchased, at my direction, from M. C. Eppenstein & Co., Champlain building, Chicago.

Q. 92. Is Mr. Eppenstein one of the defendants to this suit?

A. Yes, sir.

Q. 93. What relation does he hold to the defendant company, the Illinois Watch Case Company?

A. I understand he is president of that company.

Q. 94. Is he also a dealer in watch-cases?

A. Yes, sir. The firm of M. C. Eppenstein & Co. are known as jobbers in watch-cases, watch-movements and jewelry merchandise.

Q. 95. Where do they do business?

A. Their place of business is the Champlain Building, Chicago. I had understood that Mr. Eppenstein was president of the Illinois Watch Case Company, but it may be I am mistaken. He was a defendant in the case of the state court to which I have referred, and I have supposed that he was a defendant here, but I am informed that he is not. I am positive, however, that he is prominently identified with the Illinois Watch Case Company as a stockholder, and probably a director.

Complainant's counsel offer in evidence the two watch-cases referred to by the witness in his answer to question 42—the one to be marked "Complainant's Exhibit Defendants' Elgin Commander Watch-Case," the other to be marked "Complainant's Exhibit Defendants' Elgin Tiger Watch-Case."

Complainant's counsel also offer in evidence three trade-mark certificates printed by the United States Patent Office, being the certificates of registration of the defendants' trade-marks "Elgin Commander," "Elgin Tiger" and "Elgin Giant," to be marked,

respectively, "Complainant's Exhibit Defendants' Elgin Commander Trade-Mark," "Complainant's Exhibit Defendants' Elgin Tiger Trade-Mark," and "Complainant's Exhibit Defendants' Elgin Giant Trade-Mark." These several certificates contain the statement and declaration required by the statutes, but the certification thereof is waived by the defendants' counsel.

Q. 96. Inasmuch as your company is not manufacturing watch-cases, will you state to the court what injury results to your business, and why, from the defendants' use of the word "Elgin" in connection with their watch-cases, as you have testified?

A. The injury arises from the fact that the public do not distinguish a watch-case from a watch-movement, but the article in their hands is a "watch," and the marks in the case would convey the character of watch they possess. The public have never been advised, through advertisement, other than that Elgin watches were offered them, and we are accredited with manufacturing the complete watch. There have been misrepresentations made to the public and watches have been offered as Elgin watches, of which neither the case or the movement were ever manufactured in our factory. The possibilities of misrepresentation are almost without limit in consequence of watch-cases being marked as shown in the exhibits here.

Q. 97. These cases made by the defendants, if I understand the matter correctly, are adapted to receive and contain watch-movements of different kinds and qualities, made by many different manufacturers. Am I correct in this?

A. Yes, sir. The different watch-movement manu-

facturers and the different watch-case manufacturers have adopted conventional sized movements and cases; as, for instance, an 18-size movement would fit properly in an 18-size case, and so on, through all the different sized movements and cases manufactured.

Q. 98. In such case, what is to prevent any roguish dealer from putting into one of the defendants' Elgin Commander, Elgin Tiger or Elgin Giant cases a very inferior movement made by some other company than your own, and palming the whole off upon an unsuspecting public through the use of the word "Elgin" on the case?

A. There is nothing to prevent this being done; in fact, it has been done; and Elgin Tiger watches and Elgin Giant watches have been advertised for sale as "Elgin Watches." I refer to such a sale as advertised by Bloomingdale Brothers, of New York, in the Evening Sun, of New York City, of December 3d, 1895. In their advertisement, on page 7 of that paper, they advertise "Sale of Elgin Watches," and offer "gold-filled Elgin Tiger Watches and gold-filled Elgin Giant Watches."

Q. 99. If you have a copy of that paper here, will you please produce it and put it in evidence?

A. I have a copy here, and produce it and put it in evidence. The advertisement in question commences at the top of the fifth column on page 7 of the paper.

Complainant's counsel offer said paper in evidence, to be marked "Complainant's Exhibit Bloomingdale Advertisement."

The part of the advertisement in question which relates to watches is as follows:

"A CHANCE IN GOLD WATCHES. We offer until sold 5-jeweled solid gold watches with Waltham or Elgin movements in a variety of designs. They are

all hunting case stem-winders and setters, and warranted perfect time-keepers. Value from $50.00 to $65.00; our special price, $21.98, $23.50, $29.00, $31.50 and $39.00 each.

"SALE OF ELGIN WATCHES.

"Gold-filled Elgin Tiger Watches, ladies' or gentlemen's size, with 7-jeweled nickel-plated American movements, warranted for 5 years, value $12.00; special $6.98.

"Gold Filled Elgin Giant Watches, ladies' or gentlemen's size, with 7-jeweled nickel-plated American movements, warranted for 20 years. Value 20.00; 9.98."

Q. 100. Does your company, or the American Waltham Watch Company, make any five-jeweled movements?

A. No, sir; they never have.

Q. 101. Did you make any efforts to ascertain what kind of watches the Bloomingdales were selling as "Elgin Watches," under this advertisement of the New York Evening Sun of December 3, 1895?

A. Yes, sir; I immediately directed that a watch be purchased from the Bloomingdale Brothers, as advertised, and obtained an "Elgin Tiger Case" containing a New York Standard movement, the movement being a very much inferior grade, both as regards price and quality, to the lowest grade of movement which we manufacture.

Q. 102. What effect would the sale of such watches as that under the name of "Elgin Watches" naturally and inevitably have upon the reputation and business of your company?

A. The greatest possible injury would result, and if permitted to continue would ruin the reputation of the Elgin Watch Company.

Q. 103. How are watches graded?

A. According to the jeweling. The greater the num-

ber the higher the grade. The smallest number of jewels that we put in a movement is seven, and the highest is twenty-one.

Adjourned until September 10th, 11 A. M.

September 10, 11 o'clock A. M. Met pursuant to adjournment. Present as before.

Q. 104. State whether or not other instances have come to your notice in which deceptions have been practiced upon the public, inducing them to buy other movements than yours with the belief that they are buying your movement, and in which these defendants' watch-cases have figured as an instrumentality of the deception; and if yea, give an account of some such instances.

A. We have a case in point which came to our notice in the ordinary course of business, the transaction having occurred in Australia. On May 15th, 1896, we received a letter from Donald Manson & Co., who have acted for us as agents for Australia from 1886 up to within two years, since which time they have advised us on matters of mutual interest in relation to the Elgin watch business in Australia. I here produce the letter, and a copy of it is as follows:

"DONALD MANSON & CO.
"GENERAL AGENTS AMERICAN ELGIN NATIONAL WATCH COMPANY,
"Elgin, Illinois, U. S. A.
"ELGIN BUILDING.
"Cable Address, WYNYARD SQUARE.
"'DONMANSON.'

"SYDNEY, May 15, 1896.

"ELGIN NATIONAL WATCH COMPANY,
"Chicago.

"*Dear Sirs:* Under date of May 11th we wrote, advising that there were a number of Amn. drummers scouring the country with spurious watches; selling filled gold cases as gold watches with Elgin and Waltham

mov'ts. The party referred to particularly in the adv't. was one Davis, representing Eppenstein & Co., Chicago, who had an announcement in the papers of a sale by auction of the largest consignment of Elgin and Waltham watches ever offered to the Australian colonies. With this we enclose the advt. and also the receipt for two watches which were purchased by Mr. Alcock, and invoiced as 14 K Elgin Commander Warranted. This case was a filled one, and having been sold as a gold watch the vendor was liable to arrest and imprisonment in the jails of this country for a period of not less than seven years hard labor for obtaining money under false pretenses. Davis having heard that the police were after him wisely decamped and sailed on Monday last, 11th May, bound for S. F. We examined the watches carefully and found that not only did Davis sell bogus cases as gold, but also sold in those bogus cases watch mvts. which were base imitations of your mvts. and also the Waltham.

"We, on reading the notice in the papers, at once took steps to have an injunction granted to restrain this man selling watches with your trade-mark 'Elgin, Ill.' stamped in the case. This fraud was intended to palm off on the public watches supposed to be made by your company, and thus rob you of your good name and reputation. On a perusal of the advt. referred to you will be able to see at a glance how misleading and absolutely untrue was this advt.

"We at once went to the newspaper who had inserted this notice of sale and cautioned them that we would at once proceed against them if the notice was again printed. However, after we gave notice to the proprietors they declined to insert the advt. and our advt. appearing on the day of the sale, the whole matter was ended, and the sale postponed. The result was that, as hereinbefore stated, 'Davis' cleared the country for other parts. We presume it is to S. F. There is one matter very certain, that if he had remained here one day longer both he and his spurious stock would have been confiscated by the customs and his body imprisoned in Darlinghurst.

"This party, Davis, called on Mr. Alcock and showed him a watch which had evidently been engraved in Sydney and bore the following inscription: 'Presented to E. Davis, Esqr., by the Elgin National Watch Co.'

This, too, was a fraud. But we presume that his having learned that the police were after him thought that the best thing he could do was to endeavor to make out that he was selling genuine 'Elgin watches.' He stated to Mr. Alcock that this watch was given him as recognition for the great success he had made in selling in the Australian colonies over 4,000 watches. Mr. Alcock replied that if he had sold that number of watches for him he, Mr. A., would have given him the whole 'shop'. The presentation watch referred to was a filled case with a Waltham movt. and stamped 'Elgin Commander, warranted 14 K'.

"This watch, as you will see from a copy of the invoice to Mr. A., was sold at under $20.00. So that you can see that if it had been a 14 K case the lowest wholesale price in America would have been about $45.00 net, as the case weighed over 40 dwts.

"There never has been attempted in this country a bigger swindle than the one herein referred to and the whole onus of the swindle has been put down to the 'Elgin National Watch Co.' and the 'Waltham W. W. Co.'

"Your trade-mark is particularly known as 'Elgin' and any watch, clock or other horological instrument bearing any part of the trade-mark is an infringement and you are entitled to proceed against any one using your trade-mark in any way. We have expended more than double the amount of your allowance to us in advertising your watches, and it now seems a very 'cold day' when such imposters come out here to ruin the trade.

"We have a recollection that you made to us an intimation that certain jobbers from America would very likely visit Australia in the near future. Well, we have to report that they have done so, and to whose loss have they come? Certainly to ours and your own. These drummers have ruined the trade; they have simply killed the sale for 'Elgin' and 'Waltham' 'watches' and have dragged down the good fame of these companies to the ground and in the mire. There never could have been a more shameful attempt to ruin the reputation for American watches than that which has been perpetrated

on the public by Amn. jobbers 'in watch cases and watch movts.'

"All English and Swiss watches are sold for what their intrinsic value is, as stamped on cases, but imagine a watch with 'Elgin' or 'Waltham' movt. sold for a *gold watch*, whereas they are only 'filled cases' and *not gold*. The watches referred to as having been sold for gold watches of 14 K standard would not assay more than 3 karat gold, if that, when melted up.

"We consider that Eppenstein & Co. have done you a very serious injury and that they will in the end ruin the good name we have so strenuously worked to build up.

"Surely you must have been aware of the fact that this firm were selling bogus cases with your trade-mark. We remember having heard from you some time ago that there was a watch case company started by Eppenstein & Co. and that you were about to stop them in using the trade-mark 'Elgin,' I.'. . . Your trade-mark, as registered under royal letters-patent is as follows:

"'Elgin National Watch Company, Elgin, Ill.,' U. S. A.' No person can use any one of these words in connection with watches, clocks or other horological instruments. Consequently you are protected in this hemisphere, and if after a perusal of this letter you will continue to supply this concern with watch movts. we think you will be doing the very best act to ruin your trade, not alone in this market but throughout the whole world, outside the U. S.

"The writer hopes to be able to leave for America by the next steamer, June 11th, and will call on you and explain fully the nature of this matter which has engaged our attention for so long a time.

"Something must be done to protect your interests as against unprincipled dealers, who hawk about your movts. in spurious cases. The public and the trade do not know the difference as between a watch movts. and watch case. All they know is that they buy an Elgin or Waltham watch in either gold or silver, and if after having bought a watch purported to be gold, it turns out to be a filled or plated case, the onus of the whole disgrace falls on the Elgin watch. How is it that you could permit this concern to use your good name on a spurious case. 'Elgin Commander Warranted 14 K' is quite

enough to deceive the honest dealer and more particularly the public. In our opinion we consider you have grounds for a very heavy action against the infringement of your trade-mark, and as such infringement has tended to injure and ruin your trade in this country, you could obtain very substantial damages if you choose to proceed in the courts of this country.

"It will scarcely be necessary for you to reply to this as the writer will have left for America before the time necessary for a reply.

"We trust, however, that you will give the matter of our report your careful consideration, so that we may clearly understand the position. We also desire to add that we have been put to an outlay of over £50, 0, 0 in this matter, and we think that you should in some way reimburse us for the amount of cost incurred in protecting your name.

Yours faithfully
DONALD MANSON.

The advertisements referred to in the letter were received with the letter, and I have them here present and will offer them in evidence as a part of my answer.

"2000 AMERICAN WALTHAM and
ELGIN WATCHES.
FOR SALE BY AUCTION.

MOST IMPORTANT ANNOUNCEMENT.

To the Wholesale and Retail Jewellery Warehousemen, Country Buyers, Shippers, and Others.

UNRESERVED SALE BY AUCTION.
Under instructions from those concerned.

AT THE ROOMS, 76 PITT STREET,
ON FRIDAY NEXT, MAY 1,
commencing at 11 o'clock sharp, and
continuing throughout the day.

THE LARGEST CONSIGNMENT OF GENUINE
ELGIN NATIONAL WATCH COMPANY
and WALTHAM WATCHES
ever OFFERED in the
AUSTRALIAN COLONIES,
comprising
GENTLEMEN'S and LADIES WATCHES
of
Every Grade manufactured by those two World-renowned Firms,
in
the following well-known Trade Lines:—'The Commander,' 'The Tiger,' 'The Giant,' 'The Grant,' 'The Pride,' 'The Fahys,' 'The Dueber,' 'The Champion,' &c., &c.

The above are manufactured in 10, 14, 15, and 18 carat gold; also in solid gold and gold-filled cases, and jewelled in from 7 to 15 holes,
and
MANY of THEM WITH RAISED DESIGNS (22 CARAT), and ALSO SET with DIAMONDS.
Also
A LARGE ASSORTMENT OF GENT.'S and LADIES' CHAINS, ALBERTS, FOBS, SLEEVELINKS, LOCKETS, &c.
TABLE KNIVES, and DESSERT KNIVES and FORKS, &c., &c.

A. TRAVERSI and Co. have received instructions to conduct the above Important Sale at their Rooms, 76 Pitt-street, on FRIDAY Next, May 1st, commencing at 11 o'clock sharp, and continuing throughout the day.

THE AUCTIONEERS desire to draw the special attention of the Wholesale and Retail Jewellry Warehousemen to this most IMPORTANT SALE, it being one of the Most Valuable Shipments of American Watches ever consigned to this market.

EVERY WATCH being guaranteed genuine and the quality represented."

Above this advertisement the words "Sydney Morning Herald" are written, and below the advertisement the words "April 25th, 1896," both in Mr. Manson's handwriting, with which I am familiar.

Another advertisement contained in the same letter is as follows:

"To the Wholesale and Retail Jewellery Warehousemen, Country Buyers, Shippers, and Others.

UNRESERVED SALE BY AUCTION.

Under instructions from those concerned.

AT THE ROOMS, 76 PITT-STREET.
THIS DAY, FRIDAY, MAY 1,
commencing at 11 o'clock sharp, and continuing throughout the day.

LARGE CONSIGNMENT OF AMERICAN WATCHES,
comprising
GENTLEMEN'S and LADIES' WATCHES
in
the following well-known Trade Lines:—'The Commander,' 'The Tiger,' 'The Giant,' 'The Grant,' 'The Pride,' 'The Fabys,' 'The Dueber,' 'The Champion,' &c., &c.

The above are manufactured in 10, 14, 15, and 18 carat gold; also in solid gold and gold-filled cases and jewelled in from 7 to 15 holes,
and
MANY of THEM WITH RAISED DESIGNS (22 CARAT), and ALSO SET with DIAMONDS.
Also
A LARGE ASSORTMENT of GENT.'s and LADIES' CHAINS, ALBERTS, FOBS, SLEEVELINKS, LOCKETS, &c.
TABLE KNIVES, and DESSERT KNIVES and FORKS, &c., &c.

A. TRAVERSI and Co. have received instructions to conduct the above Important Sale at their Rooms, 76 Pitt-Street, THIS DAY, FRIDAY, May 1st, commencing at 11 o'clock sharp, and continuing throughout the day."

Above the advertisement the words "Sydney Morning Herald" are written, and below the advertisement the words "May 1st, 1896," both in Mr. Manson's handwriting, with which I am familiar.

In addition to the above advertisements Mr. Manson also enclosed a printed copy of his notice to the trade, referred to in his letter. I have a printed copy here with me, and it reads as follows:

"AMERICAN ELGIN NATIONAL WATCH COMPANY.

ELGIN-BUILDING, WYNYARD-SQUARE.

OUR ATTENTION having been called to the Advertisement announcing the 'UNRESERVED SALE' by auction of a 'CONSIGNMENT OF WATCHES,' alleged to be manufactured by the abovenamed Company, we desire to advise the 'Public,' that we, as Agents for the Elgin National Watch Company, are not in any way connected either directly or indirectly with the alleged consignment; and we avail ourselves of this opportunity to inform the 'Public,' that we are in no way connected with the Sale by Auction of 'Elgin Watches,' and do not in any way guarantee the quality, as alleged in the advertisement referred to in the advertising columns of the 'S. M. Herald.'

The 'TRADE LINES' ADVERTISED ARE NOT OF THE MANUFACTURE OF THE ELGIN NATIONAL WATCH COMPANY, nor of the American Waltham Watch Company, and we therefore, on behalf of the Elgin National Watch Company, do not hold ourselves responsible for the quality

or manufacture of the watches which are to be sold by auction this morning.

DONALD MANSON and COMPANY.
SOLE AGENTS FOR THE ELGIN
NATIONAL WATCH COMPANY.
ELGIN-BUILDING. WYNDYARD-SQUARE."

Above this printed notice the words "Sydney Daily Telegraph," and beneath the notice the words "May 1st, 1896," are written in the handwriting of Mr. Manson.

Counsel for defendants objects to the introduction of the foregoing letter and advertisements, and to all other letters and advertisements referred to by the witness, as immaterial, irrelevant and incompetent, the same not being sworn to, the parties not being produced for examination, and no opportunity being given for cross-examination. Counsel also objects to all statements in reference to said letter and advertisements as hearsay, and therefore improper.

Q. 105. In his letter Mr. Manson wrote that he hoped to be able to leave for America by the next steamer, June 11th, and call on you; did he do so?

A. No, sir; not to the best of my knowledge. We received a printed notice, shortly after the receipt of his letter, containing announcement of Mr. Manson's death, which occurred early in June, 1896.

Q. 106. Mr. Manson, as I judge from his letter, evidently supposed that your company was supplying Eppenstein & Co. with watch-movements; what is the fact?

A. We have not supplied Eppenstein & Co. with Elgin movements for several years last past.

Q. 107. Which party took the initiative in discontinuing the trade relations between Eppenstein & Co. and the Elgin National Watch Company?

A. The Elgin National Watch Company.

Complainant's counsel offer in evidence, to be marked "Complainant's Exhibit Manson Letter," the original letter received by Elgin National Watch Company from Donald Manson & Co., bearing date May 15th, 1896, and referred to in the witness' testimony.

Complainant's counsel also offer in evidence, to be marked "Complainant's Exhibit Manson Newspaper Slips," the two advertisements and the notice referred to by the witness, dated respectively April 25th, 1896, and May 1st, 1896.

By defendants' counsel: Same objection as made to answer to Q. 104.

Q. 108. Are this letter and these advertisements and notice, which I have just offered in evidence, the original letter, advertisements and notice received by you from Mr. Manson, as you have testified?

A. They are.

Same objection.

Q. 109. In Mr. Manson's letter he speaks of the man Davis as having left for "S. F.;" what do you understand that to mean?

A. San Francisco.

Q. 110. Do you know what kind of trade M. C. Eppenstein & Co. supply?

A. I have been advised that they supply largely auctioneering trade.

Q. 111. Has any incident recently occurred in your own business serving to illustrate how easily the public may be deceived by the improper use of your name or trade-mark upon the dial or other part of a watch? If so, state the facts.

A. We have an instance in point at the present time.

We have in our office a watch-movement which was manufactured by a Springfield, Illinois, watch company known as the "Illinois Watch Company." Upon the plates appear engraved the jeweler's name and address. The dial on this movement was apparently made by us, and upon which appears the word "Elgin," by a statement from the jeweler was supplied from some house in New York. In appearance, except to those particularly competent to determine by whom manufactured, this watch-movement would be very readily sold to the public as a genuine Elgin watch. This watch-movement came to us for repairs in the ordinary course of business, and we discovered the counterfeit at once. This watch was sent to us as an Elgin watch to be repaired. While the movement was manufactured by the Illinois Watch Company, Illinois, it was made to simulate the appearance of an Elgin watch by affixing our dial to that movement, and it was done by some one fully aware of the ease with which this watch could be sold to the public as a genuine Elgin watch.

By defendants' counsel: Same objection as to Q. 104.

Q. 112. How would the business reputation of your company be affected if a case manufacturer should put upon the market watch-cases of very inferior quality bearing your trade-mark "Elgin"?

A. It is impossible to appreciate the extent that the reputation of the Elgin Company would suffer under such a condition. The reputation as established by the company after more than a quarter of a century of time and labor and very large expenditure of money is its principal asset, as attested to by millions of people who are using Elgin watches because of their reputation as the best time-pieces.

Q. 113. What do you know as to the quality of watch-cases which the defendants make and mark with your trade-mark?

A. Nothing beyond what they claim in their certificate.

Q. 114. In their efforts to get the advantage of your reputation for excellence of workmanship and high character of goods, have the defendants confined themselves to the watch business?

A. No, sir; they have essayed the use of the word "Elgin" in connection with bicycles called "Elgin King" and "Elgin Queen," which I believe they manufacture under the name of "The Elgin Cycle Company."

Q. 115. I have here a printed catalogue of bicycles put out by the Elgin Cycle Company, on the covers of which they advertise the "Elgin Queen" and the "Elgin King," with the picture of a watch between the words "Elgin" and "Queen," and also between the words "Elgin" and "King." Do you understand this to be one of the catalogues put out by that company?

A. I do. At the time this form of advertising their bicycles was first considered in Mr. Eppenstein's office, he asked me what I thought of his idea of advertising that bicycle. I told him at the time that I thought it was using the word "Elgin" in connection with a watch for the purpose of conveying the impression that the Elgin Watch Company were manufacturing bicycles, and that I believed we should hear of it in that way through the trade.

By defendants' counsel: Same objection as to question 104.

Q. 116. Have you since heard of it through the trade?

A. We have. We have had numerous inquiries for

bicycles and bicycle sundries, and the bicycles have been advertised to the public by agents of the Elgin Cycle Company as being made by the Elgin Watch Company.

Q. 117. If you have any such advertisement here, will you please produce it?

A. The following advertisement appeared in the Washington (D. C.) "Evening Star," of Saturday, August 8th, 1896:

> "Good Wheels for Rent, 15c. hour.
>
> ELGIN King / Queen CYCLES.
>
> are up to the top-notch of bicycle perfection. They're the product of the famous Elgin Watch Co.—that means they're best. Catalogue free.
>
> Second-hand wheels in splendid condition for from $10 to $60.
>
> CONN. AVE. CYCLE CO.,
> 1110–1112 Conn. Ave.
> jy29—3m20."

By defendants' counsel: Defendants' counsel objects to this question and answer, and to others relative to the Elgin Cycle Company, as irrelevant, incompetent and immaterial, because the Elgin Cycle Company is not a party to this suit.

Q. 118. If you have in the course of your business received any letters from parties who applied to you with the impression that your company is a manufacturer of bicycles—having received such impression from the proceedings of the defendants—will you please produce some of them and permit the Examiner to copy them upon the record?

A. I have five communications from different states variously requesting quotations on bicycles, Elgin King bicycles and bicycle sundries. These are only a small

portion of those that have been received by the Elgin Company since the Elgin King and Queen bicycles have been on the market. I produce them herewith and hand them to the Examiner to be copied.

By defendants' counsel: Question and answer objected to for the same reason as given to Q. 117.

The Examiner certifies that the following is a copy of the letters referred to:

"MODEL CLOTHING HOUSE,
"Nellis & Hattenbach, Props.
"201, 203 and 205 Summit St., Cor. Jefferson.
"TOLEDO, O., April 27, 1896.

"ELGIN NAT'L WATCH CO.,
"Chicago.

"*Gentlemen:*—Your communication of 4/23 received. In reply we wish to state that the advertising of Bicycles as built by the 'Elgin Watch Co.' was caused by a misunderstanding which has since been rectified. It was the Ills Watch Case Co of Elgin Ills which we intended to quote:

"please accept an apology for same
"and oblige
"NELLIS HATTENBACH."

The above letter bears on its face, stamped in red ink, the following:

"RECEIVED
"Apr 29 1896.
"JNO. M. CUTTER."

"ARNSTINE BROS. & MIER,
"CLEVELAND, O. May 21, 1896.

"ELGIN WATCH CO.—

"*Gentlemen:*—Please let us know what you will furnish us the Elgin King Bicycle for. These we want for our personal use. We may want about 3 gents and 2 or 3 ladies wheels.

"Yours truly,
"ARNSTINE BROS. & MIER.

"Dic. B. V. A."

"Office of
"B. GUYRAL,
"MANUFACTURER'S AGENT, JEWELER,
"and Dealer in SEWING MACHINES.
"RAYNE, La., 5/14th, 1896.

"ELGIN N. W. Co.
"Chicago, Ill.

"*Gents'*, Your favor Recd. & noted also the By Puncture P. tire sample, Thanks, but not a Ill Cat.

"Will y please send me the following Cristals
htg 6 sizes watch thin my One Doz.) Send me the Bill
" 0 " " " " ") and I will covered
" 13 " " " " ") same by return
" 8 " " " " ") mail.

"I praise Ihghely to receive some advertisemun to distribute to people directly, that's hip better on country paper, principally like here who's P. don't knowes how to read & write.

"What is the cheapest of y Bycicle Brand?
"Y v R
"B. GUYRAL.
"have you anything else on hand."

"ST. PAUL, MINN., May 18—96.

"ELGIN WATCH CO.,
"Elgin, Ill.

"*Dear Sir.* Would you please be kind enough to send me an Elgin Bicycle pin. I enclose you ten cents in stamps for same.

"Thanking you for the favor before-hand,
"Yours Truly,
"W. HOPKINS
"121 Sykehart,
"St. Paul
"Minn"

"THE MISSOURI PACIFIC RAILWAY COMPANY.
"St. Louis, Iron Mountain & Southern Railway Co. and
"LEASED, OPERATED & INDEPENDENT LINES.
"Office of District Passenger Agent.

"COKE ALEXANDER
"District Passenger Agent.
"129 E. St. Joe St., Indianapolis, Ind.
"May 22, 1896.

"ELGIN WATCH CO.,
"Elgin, Ills.

"*Gentlemen.* Please find enclosed stamps for reply I have a favor to ask—I am anxious to possess *one* or (two if you are willing) of your Elgin King Bicycle buttons. Your agent here has none and said he thought if I wrote to you, there would be no doubt about my getting one or two.

"Yours Truly,
"MRS. COKE ALEXANDER."

This letter bears stamped in red ink across its face the following:

"May 26 1896
WM: J. KRUEGER."

Complainant's counsel offer in evidence the four letters and postal-card referred to by the witness, to be marked "Complainant's Exhibit Elgin National Watch Company's Bicycle Correspondence."

Also the copy of the Washington, D. C., Evening Star of August 8, 1896, referred to by the witness, to be marked "Complainant's Exhibit Evening Star." Also the copy of the illustrated catalogue of the "Elgin Cycle Company" referred to by the witness, to be marked "Complainant's Exhibit Defendants' Bicycle Catalogue."

Q. 119. What do you know about the identity of the defendant Illinois Watch Case Company with the so-

called "Elgin Cycle Company" which issued the illustrated bicycle catalogue already referred to in evidence?

A. I understand that the Illinois Watch Case Company and the Elgin Cycle Company are one and the same, the Elgin Cycle Company being simply a name adopted by the Illinois Watch Case Company.

Same objection as made to question and answer 117, and because the answer is merely hearsay, and therefore improper.

Q. 120. Recurring to the subject of the fraudulent sale of watches as "Elgin watches," accomplished by the use of your trade-name or trade-mark "Elgin" on the watch-cases of the defendants or of other manufacturers, state whether or not it is an easy or difficult matter for your company to detect all instances of such frauds.

A. It is quite impossible for the Elgin Company to detect such frauds, except as they are brought directly to their attention. The sale of Elgin watches is made over an immense territory, and we do not come in contact with all the distributors of watches, by any manner of means. A very large business could be done without it coming to our knowledge.

Adjourned until 10 o'clock A. M., September 11th.

Ten o'clock, September 11th. Met pursuant to adjournment. Present as before.

Q. 121. In answer to Q. 119 yesterday you stated that you understand that the Illinois Watch Case Company and the Elgin Cycle Company are one and the same, the Elgin Cycle Company being simply a name adopted by the Illinois Watch Case Company; state some of the grounds on which that understanding is based.

A. In addition to common report and conversation on the subject with both Mr. M. C. Eppenstein and Mr.

Thomas W. Duncan on the subject, the Elgin National Watch Company had occasion to address a letter, 4/25/'96, to the Illinois Watch Case Company, Champlain Building, City, of which I submit a copy, which is as follows:

"Factories, Elgin, Ill.
"New York Office, 11 John Street.
"ELGIN NATIONAL WATCH COMPANY,
"General Offices 76 Monroe Street.

"(Copy) CHICAGO, 4/25/96.

"THE ILLINOIS WATCH CASE CO.,
"Champlain Bldg., City.

"*Gentlemen*: The firm of Nellis & Hattenbach of Toledo, Ohio, are selling bicycles manufactured by your Company, and have them advertised in the window as manufactured by the 'Elgin Watch Company.' Other parties in different sections of the country are doing the same thing, and the matter has become of great annoyance to this Company.

"We call your attention to this matter and desire that it be promptly corrected and those selling your bicycles prevented from making use of the name of the Elgin Watch Company as connected in any manner with the manufacture of such articles.

"As business men, the mere knowledge of the facts herein stated ought to be sufficient to cause you to promptly prevent a repetition of the mis-statements.

"Will you kindly advise what steps you will take to relieve us from further annoyance?

"Yours truly,
"ELGIN NATIONAL WATCH CO.
"JNO. M. CUTTER
"Gen'l Agt."

This letter is dated April 25th, 1896. It was mailed to the Illinois Watch Case Company in the ordinary manner. In answer to this letter we received a call from Mr. Thomas W. Duncan, a defendant in this case, who stated orally that he regretted very much that we had been put to any inconvenience through misstatements

as regards the Elgin Watch Company being manufacturers of bicycles; and in addition to giving me a list of their wholesale distributors he promised to communicate with each of their agents and make the situation so clear to them that there would not be a repetition, and that we would be relieved from further trouble on that score.

Complainant's counsel offer in evidence the copy of the letter last referred to by the witness, to be marked "Complainant's Exhibit Elgin Watch Company's Notification to Defendants."

By Mr. Banning: In pursuance of the understanding noted at the end of Mr. Hunter's deposition, I now object to the foregoing questions and answers, and each of them, as immaterial, irrelevant and incompetent; and especially do I object to the introduction of letters and circulars written or issued by parties not produced for examination or opportunity given for cross-examination, and to all statements based thereon or otherwise made from information received from other parties, the same being hearsay and therefore improper. I also object to all testimony with reference to the Elgin Cycle Company or with reference to the manufacture and sale of bicycles, the Elgin Cycle Company not being a party to this suit, and trade-marks on bicycles not being now in litigation.

Cross-Examination by Defendants' Counsel.

X Q. 122. In your duties as general agent of the Elgin National Watch Company are you required to travel over the country or to remain in Chicago?

A. Both travelling and remaining in Chicago when not so employed. For the first five or six years, after being elected to the general agency, I travelled fully one-

half of the time. Since that time my travelling has been principally between New York and Chicago, which would be anywhere from four to a dozen times a year—possibly occupying one-third of the time.

X Q. 123. You have nothing to do with complainant's manufacture of watch-movement, have you?

A. Not so far as the practical manufacture is concerned.

X Q. 124. Do you handle the goods personally, or is your work mainly in reference to looking after agencies, making contracts, etc.?

A. I handle the goods sufficiently to be thoroughly familiar with all the details of the business, in addition to personal contact with our customers.

X Q. 125. I suppose you do not know anything about the Elgin National Watch Company from personal knowledge prior to about the time you first entered its employ, which you say was December 11, 1876. Is this correct?

A. If the rewriting of the history of the company since the time of my connection with the company would give me such knowledge, I have it in that way, as this was the first duty I performed for the company upon entering their service. This was made necessary by reason of the records having passed through the fire in 1871 and was partially destroyed.

X Q. 126. I suppose that rewriting the history of the company was from information which you received from others or from the books, documents or records of the company. Was not this so?

A. It was.

X Q. 127. And the only knowledge you had on the operations of the company before you entered its employ was derived in that way?

A. It was.

X Q. 128. Have you been personally familiar with the work of registering trade-marks by the Elgin National Watch Company?

A. Yes; since my connection with the company.

X Q. 129. Please give a list of the different trade-marks it has registered in which the word "Elgin" was used in any way, since you have been in its employ, either under the old law or under the present law.

Objected to as irrelevant and immaterial.

A. The following is a list of trade-marks containing the word "Elgin:"

"Elgin."
"Elgin Watch Co."
"Elgin, Ills."
"Elgin National Watch Co."
"Lady Elgin."

X Q. 130. The complainant always ships its goods from its factory at Elgin, does it not?

A. The original shipments of the movements are always made from the factory. The goods may be consigned to Chicago or New York or at other points, as is most convenient. Principally the shipments are made from Chicago and New York to our customers. I mean the goods are reshipped from Chicago and New York to our customers. The goods are very seldom, if ever, shipped direct from the factory to any of our customers.

X Q. 131. Does complainant sell to jobbers or directly to the retail trade?

A. To wholesale jobbers exclusively.

X Q. 132. To how many wholesale jobbers does it sell in this country?

A. To about 150 wholesale jobbers, with probably eighty to ninety from our New York office, and the balance from our Chicago office. These jobbers are located prin-

cipally in Boston, New York, Philadelphia, Pittsburgh, Cleveland, Cincinnati, Chicago, St. Louis, San Francisco, Toronto, Ontario, Hamilton, and Montreal, Quebec.

X Q. 133. Are goods often returned for repairs or to be exchanged for other goods?

A. Yes, sir.

X Q. 134. In such case, where are they shipped, to the office or factory, and from what place is the reshipment made?

A. All movements returned for credit are returned to the office from which they were shipped, either New York or Chicago. Repairs, which we term "hospital movements," are either returned to our New York or Chicago office, or the factory, and reshipped to the owners from either our New York or Chicago office.

X Q. 135. Owing to its proximity to Chicago and to the fact that it is located on the Fox River, and for other reasons, Elgin is regarded as one of the best manufacturing points in this section of the country, is it not?

A. It may have been in very recent years; certainly not until very recently.

X Q. 136. Excepting South Chicago, Joliet, and possibly Waukegan, do you know of any other place or places within fifty miles of Chicago that equal it as a manufacturing point?

A. I think Aurora, of this state, is a much larger manufacturing point than Elgin. I am not sufficiently familiar with the localities within a radius of fifty miles to state definitely.

X Q. 137. What goods does complainant sell to the 150 wholesale jobbers referred to in your answer to X Q. 132?

A. All of the watch-movements we manufacture, which

at the present time are fully fifty different grades of movements.

X Q. 138. In one of your answers you state that the complainant has expended several hundred thousand dollars "in advertising Elgin watches." Do you mean by this that complainant has expended such large sums in advertising its watch-movements?

A. No, sir; in advertising "Elgin watches" to the public. We never have advertised in any other way to the public.

X Q. 139. Does complainant manufacture or sell complete watches, the case and movement or all the parts being put together?

A. Not at the present time. We have sold complete watches in times past. This refers to an odd-sized movement that we manufactured some years ago—fully fifteen years ago.

X Q. 140. Then, when you speak of advertising Elgin watches at present, you really mean watch-movements, do you not?

A. No. We mean the complete watch, so far as the public is concerned. They get it in no other form. They wouldn't know what an Elgin movement was were we to advertise it as such, and the company never have advertised "Elgin movements" to the public.

X Q. 141. Do you mean that complainant spends money in advertising other people's goods, or that it simply spends money in advertising its own goods? By that I mean, have the several hundred thousand dollars you refer to been expended in building up a trade in goods manufactured by complainant?

A. We have spent the money for advertising Elgin watches for the purpose of building up our own business. As every movement carries with it a watch-case, we may,

incidentally, have assisted watch-case manufacturers; but we have never particularized in our advertisements as to the character of the manufacturer's make of case.

X Q. 142. As a matter of fact, a "watch" includes both movements and case, does it not?

A. Yes, sir.

X Q. 143. And the word is so understood in the trade and by the public generally, is it not?

A. I believe so. A watch-movement may be serviceable as a time-piece without the watch-case; but the watch-case is of no value except for the bullion it contains and that it carries with it a watch-movement, and for this reason I believe everyone understands a "watch" to mean both movement and case.

X Q. 144. How many watch-case manufacturers are there in this country?

A. Probably forty or fifty watch-case manufacturers.

X Q. 145. How many watch-movement manufacturers are there?

A. Eleven or twelve—and not as many as that operating to-day.

X Q. 145. Are any manufacturers engaged in manufacturing and selling both movements and cases, or, in other words, complete watches?

A. Yes, sir; three or four watch companies.

X Q. 146. In your answer to Qs. 88 and 89 you say that Judge Horton of the Circuit Court of Cook County granted an injunction "permanently restraining the defendants from using the name 'Elgin National Watch Case Company.'" Do you know who the defendants were in the suit before Judge Horton and against whom he granted an injunction?

A. I believe Max C. Eppenstein, Sol Eppenstein and Thomas W. Duncan.

X Q. 147. Who are the defendants in thissuit?

A. The Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham.

X Q. 148. Do you know whether the Illinois Watch Case Company was in any way a party to the suit in the Circuit Court of Cook County?

A. I believe they were.

Adjourned until 1:30 P. M.

1:30 P. M. Met pursuant to adjournment. Present as before.

X Q. 149. I suppose the watch-movements made by complainant are adapted to be used in the different cases manufactured by case manufacturers generally. Is this correct?

A. Yes, sir.

X Q. 150. If an unscrupulous dealer were to make false statements or publish false advertisements about your company's watch-movements, would you consider that the company itself was to blame therefor, especially if it had nothing to do with such statements or advertisements?

Objected to as immaterial and incompetent.

A. While we perhaps could not be held legally responsible of blame for it, the public would accept the statement as a truthful one.

X Q. 151. What part of the public do you refer to, the intelligent public or the ignorant public?

A. That part of the public who desire to purchase Elgin watches.

X Q. 152. How do you know that they would accept the statement as a truthful one?

A. There is no reason to believe that they would look

to any other than the source from which the statement emanated.

X Q. 153. What acquaintance did you have with Donald Manson in his lifetime?

A. A personal acquaintance dating from the month of June, in 1886; I visited him in Australia in '89, and we had regular monthly correspondence during all that time from June, 1886.

X Q. 154. Have complainant's counsel advised you that his *ex parte* statements are good evidence, especially when they are not even sworn to?

A. No, sir.

X Q. 155. Do you know anything personally about the various matters referred to in the letters and advertisements produced in your direct examination except that you have been informed that the statements contained therein were made, and also that the letters were written or advertisements published, as you have stated?

A. The letters were received in the usual course of business, and most of them bear my receiving stamp as having opened the letters in the office, and personally replied to. The advertisements came under my notice in like manner.

X Q. 156. Do you know from your own personal knowledge whether the statements contained in the letters were true or not?

A. We only have the statements made in the letters.

X Q. 157. In question 120 complainant's counsel speak of "the fraudulent sale of watches as Elgin watches," which expression, in substance, he uses in various other places, more, I believe, than you have used it in your answers. Do you know of your own knowledge "of the fraudulent sale of watches as Elgin watches" in any way or at any place?

A. Personally I never purchased watches under such an advertised sale, but directed that a watch should be purchased.

X Q. 158. Referring to your answers to Qs. 119 and 121, do you have any knowledge with reference to the matters therein referred to, except as you have stated?

A. I have information obtained through sources which are well established with all merchants and manufacturers, known as Commercial Agencies.

X Q. 159. In your answer to Q. 121 you say that Mr. Duncan stated that he regretted very much that you had been put to any inconvenience on account of bicycles. Have you ever heard anything further from him or the trade on that subject since that time?

A. With but one exception—which was the advertisement in the Washington Evening Star—I believe we have not.

X Q. 160. Do you know what kind of a bicycle the "Elgin King" and "Elgin Queen," which you say the defendants are manufacturing, are, particularly as to grade, quality, etc.?

A. Nothing beyond their claims and advertisements, and the exhibition of their wheels in show windows.

X Q. 161. Has your company ever manufactured or sold bicycles or similar machinery?

A. No, sir; nor anything pertaining to them.

X Q. 162. Do you think your company has lost the sale of any watch-movements by reason of the defendants' manufacture and sale of bicycles, or by reason of their use of the word "Elgin" in connection therewith?

A. No, sir; but I believe the Illinois Watch Case Company have benefitted very much in the sale of their bicycles through the use of the word "Elgin," as the reputation of the Elgin Company has caused inquiries to

be made of us and statements have been made to the public in advertisements that the quality of the Elgin bicycles could be determined through the excellence of the Elgin Watch Company's own manufacture of watches.

X Q. 163. Then complainant is fighting because defendants are being "benefitted" by the use of the word "Elgin" rather than because it is being damaged by their use thereof. Is this what you mean?

Objected to as containing an erroneous assumption based solely on the bicycle business, and ignoring the watch-case.

A. No; we are fighting to retain what we believe belongs solely to the Elgin National Watch Company, who have made the name valuable.

X Q. 164. And this, whether you are being damaged by the operation of others or not?

Same objection.

A. I believe the Elgin National Watch Company is damaged through the use of our trade-mark when we cannot control the articles of merchandise manufactured under our trade-mark.

X Q. 165. As a matter of fact, there has been a good deal of litigation between complainant and defendants, or some of its officers, during the last few years. Is not this true?

A. It is, ever since the Illinois Watch Case Company moved its factory to Elgin and began the appropriation of names and trade-marks simulating ours.

X Q. 165. And all this litigation has been started by complainant, has it not?

A. It has.

X Q. 166. And its object has been to prevent defendants from using the word "Elgin" in connection with goods of their manufacture?

A. Yes, the word "Elgin" and other combinations with the word "Elgin" in the corporate name of the company and on their goods.

X Q. 167. And you have insisted, in court and out of court, that defendants should discontinue the use of the word "Elgin" entirely in connection with their corporate name, or with the goods of their manufacture?

A. We have.

Re-Direct Examination.

R-D. Q. 168. Has your company ever brought against these defendants, or any of them, any other suit for the purpose of restraining them from using your trade-mark on their manufactured watch-cases, other than the suit in which you are now testifying?

A. No, sir; we have not.

R-D. Q. 169. All your other suits against these defendants, or any of them, including the Eppenstein parties, were brought to prevent them from simulating your corporate name, were they not?

A. They were.

JNO. M. CUTTER.

Sworn to and subscribed before me this 11th day of September, 1896.

L. A. GARDINER,
Notary Public.

[SEAL.]

Adjourned until 10 o'clock, September 12th.

Ten o'clock, September 12, 1896. Met pursuant to adjournment. Present as before.

JULIUS SCHNERING, being duly sworn, deposes and testifies as follows:

Q. 171. Please state your name, age, residence and occupation.

A. Julius Schnering; age, forty-four years; residence, Chicago; occupation, member of the firm of Otto Young & Co., wholesale jewelers.

Q. 172. Is your firm largely engaged in dealing in watches?

A. Quite largely; yes, sir.

Q. 173. How long have you been connected with the watch trade?

A. Twenty-three years.

Q. 174. Are you familiar with the watch-movements made by the Elgin National Watch Company?

A. Yes, sir.

Q. 175. By what name are they generally known in the market?

A. Elgin watches.

Q. 176. When a man comes into your store and enquires for an Elgin watch, what do you understand that he wants?

A. I understand that he wants an Elgin movement.

Q. 177. That is, a movement made by the Elgin National Watch Company?

Objected to as leading.

A. Yes, sir.

Q. 178. I hand you two watch-cases, one marked "Complainant's Exhibit Defendants' Elgin Commander Watch-Case," and one marked "Complainant's Exhibit

Defendants' Elgin Tiger Watch-Case." Please examine them and observe how they are marked on the inside by the manufacturer, and also observe the printed certificate in the inside of the case. After having examined them, please state whether or not, in your opinion, the use of the word "Elgin" on watch-cases, as it is here used in these two exhibits, would be liable to deceive the ordinary purchaser of watches, or could be made use of as an instrumentality for deceiving the ordinary purchaser of watches into buying a watch on the supposition that it was made by the Elgin National Watch Company, when, in fact, the movement contained in the case might be a movement made by some other manufacturer.

Objected to as leading.

A. I think it could be—yes, sir.

Cross-Examination.

X Q. 179. Has your firm been accustomed to sell watches having cases manufactured by the Illinois Watch Case Company?

A. No, sir.

X Q. 180. Has it ever sold such watches?

A. We have never sold those cases—no, sir.

X Q. 181. Is your firm a large customer of complainant, the Elgin National Watch Company?

A. We handle the Elgin watches quite largely.

X Q. 182. What do you mean when you say you handle the Elgin watches? Do you handle the movement merely, or watches containing such movement?

A. We handle both—separately and together. That is, we sell the movements alone and we sell them in cases.

X Q. 183. When you put a movement manufactured by the Elgin National Watch Company into a case manu-

factured by another company, do you then call it an Elgin watch?

A. We generally do—yes, sir. The movement in the case regulates the name of the watch—that is, it does with us; I don't know about others.

X Q. 184. In such case, do you understand that the ordinary purchaser understands that the expression "Elgin watch" includes both a movement and case manufactured by the Elgin National Watch Company?

A. No, sir; speaking for ourselves. We're in the wholesale business.

X Q. 185. Then you do not come in contact with the retail trade at all?

A. Not with the consumer.

JULIUS SCHNERING.

Sworn to and subscribed before me this 12th day of September, 1896.

L. A. GARDINER,
Notary Public.

[SEAL.]

SAMUEL W. DRIPPS, being first duly sworn, deposes and testifies as follows:

Q. 185½. Please state your name, age, residence and occupation.

A. Name, Samuel W. Dripps; age, forty-one; residence, Chicago; occupation, salesman in Benjamin Allen & Co., wholesale jewelers, Chicago.

Q. 186. How long have you been in the jewelry business?

A. Twenty-nine years.

Q. 187. Does your firm handle watches extensively?

A. They do.

Q. 188. Do you handle, among other watches, those

made by the Elgin National Watch Company, of Chicago?

A. We do.

Q. 189. By what name are the watches or watch-movements which are manufactured by the Elgin National Watch Company generally known to the trade throughout the world?

A. They are known as "Elgin watches."

Q. 190. How long have they been known to the trade by that name?

A. Since about 1868.

Q. 191. I show you two watch-cases here in evidence, one of which is marked "Complainant's Exhibit Defendants' Elgin Commander Watch Case," and the other is marked "Complainant's Exhibit Defendants' Elgin Tiger Watch Case." Please observe how those two cases are marked and how the certificates read which are contained in them, and state whether or not, in your opinion, the public are liable to be deceived by the use of the word "Elgin," as found in those marks and certificates, or either of them, into buying, as watches made by the Elgin National Watch Company, watches which were never made by that company but by other manufacturers.

A. I think the public are liable to be deceived into buying a watch for an Elgin watch in that kind of a case, even if the watch-movement itself were made by some other manufacturer.

Cross-Examination by Mr. Banning.

X Q. 191½. As I understand you, the house in which you are employed deal with the wholesale trade exclusively?

A. Yes, sir.

X Q. 192. So you do not come in contact with the retail trade or consumers at all?

A. Not in regard to selling goods to the consumer directly; but I often come in contact with the consumer through our retail customers sending them to us.

X Q. 193. I suppose you have handled the Elgin National Watch Company's goods a great many years, and very extensively?

A. Yes, sir.

X Q. 194. Have you ever personally known of an instance in which a purchaser has been "deceived by the use of the word Elgin . . . into buying, as watches made by the Elgin National Watch Company, watches which were never made by that company, but by other manufacturers"?

A. No, sir.

SAMUEL W. DRIPPS.

Sworn to and subscribed before me this 12th day of September, 1896.

L. A. GARDINER,
Notary Public.

[SEAL.]

Adjourned until 10 o'clock, September 14.

September 14, 10 o'clock A. M. Met pursuant to adjournment. Present, Mr. Thomas A. Banning for defendants; Mr. Lysander Hill and Mr. Geo. S. Prindle for complainant.

Mr. JAMES L. ROWE, being first duly sworn, deposes as follows:

Q. 195. Please state your name, age, residence and occupation.

A. Names, James L. Rowe; age, fifty-six; residence, Chicago; occupation, jeweler.

Q. 196. Are you engaged in the wholesale or retail business?

A. In the retail.

Q. 197. Do you handle watches, watch-cases or watch-movements?

A. We sell them all.

Q. 198. How long have you been engaged in the retail jewelery and watch business?

A. In Chicago, thirty-three years.

Q. 199. Do you handle watch-movements made by the Elgin National Watch Company?

A. I do.

Q. 200. How long have you handled their movements?

A. Ever since the factory started.

Q. 201. Have you ever handled watch-cases made by the Illinois Watch Case Company?

A. Not to my knowledge.

Q. 202. Under what name are watches containing movements made by the Elgin National Watch Company known to the public?

A. "Elgin watches."

Q. 203. How long have they been generally known by that name?

A. As long as I have sold them—as near as I can remember.

Q. 204. Please examine the two watch-case exhibits now shown you, marked, respectively, "Complainant's Exhibit Defendants' Commander Watch-Case" and "Complainant's Exhibit Defendants' Elgin Tiger Watch-Case," especially observing the word "Elgin" stamped or engraved upon the interior of the cases, and state whether or not, in your opinion, the introduction of such watch-cases upon the market would be liable to result in purchasers being deceived into buying watches made by other manufacturers in the belief that they are buying watches made by the Elgin National Watch Company.

By defendants' counsel: Defendants' counsel objects to the question as calling for the mere opinion of the witness instead of calling for facts.

A. It is my opinion that any good salesman can sell the case exhibits with any other movement for an "Elgin watch" as well as with a movement made by the Elgin Company.

Q. 205. Does the ordinary customer distinguish between the movement and the case or does he buy them both together as a "watch"?

A. I should say that the customer buys the two, the movement and case, as a "watch."

Q. 206. How large a proportion of ordinary watch buyers, customers of the retail trade, know the difference between one watch-movement and another?

A. Say one in five.

Cross-Examination by Mr. Banning.

X Q. 207. What do you mean when you speak of "Elgin watches"?

A. Watches made by the "Elgin National Watch Company."

X Q. 208. Where are their watches made?

A. In Elgin, Illinois.

X Q. 209. You say that the ordinary customer does not distinguish between the watch-movement and the case, but buys the whole as a watch. What would such a customer understand, then, when he saw the word "Elgin" on either the watch-case or the watch-movement?

A. He would understand that it was a watch made by the Elgin National Watch Company.

X Q. 210. At Elgin, Illinois?

A. Yes.

X Q. 211. How far do jobbers and retail dealers

understand that watch-cases and watch-movements are distinct things?

Objected to as immaterial.

A. I should say that all of them understand it.

X Q. 212. Could anybody sell you watches in these cases, marked "Complainant's Exhibit Defendants' Elgin Tiger Watch-Case" and "Complainant's Exhibit Defendants' Elgin Commander Watch-Case," on the supposition on your part that you were buying what you have termed "Elgin watches"—the movement in the cases being made by some other concern?

Objected to as immaterial.

A. I am thoroughly conversant with all the trade-marks of the Elgin National Watch Company, and nobody could sell me another movement for an Elgin movement.

X Q. 213. How far are jobbers and retailers, in your judgment, liable to be deceived from the use of cases like these exhibits into buying watch-movements under the belief that they were buying movements made by the Elgin National Watch Company, when, as a matter of fact, they were made by some other concern?

Same objection.

X Q. 214. A jobber or retailer who knew his business wouldn't be deceived.

Re-Direct Examination.

R-D. Q. 214. In answer to X Q. 209 and 210 you say, in substance, that an ordinary customer buying a watch as a whole and seeing the word "Elgin" on either the case or the movement would understand that it was a watch made by the Elgin National Watch Company, at Elgin, Illinois. Do all the ordinary purchasers of watches over the country and in foreign countries know that the

Elgin National Watch Company's manufactory is located at Elgin, Illinois?

A. In my opinion they do.

R-D. Q. 215. But if a purchaser did not know that the manufactory was located at Elgin, Illinois, then would or would not the word "Elgin" on the case or movement indicate anything further to him than that the watch was made by the company which makes watches known as "Elgin" watches?

A. The trade-mark of "Elgin Watches"—I mean the name of "Elgin Watch"—is known all over the world. A case stamped "Elgin" would convey to the average purchaser the impression that that watch was made by the Elgin Company, or was, as people understand it, an "Elgin Watch." The same name stamped on the dial would convey the same impression to the purchaser. I will add to that in my opinion the word "Illinois" doesn't cut any figure.

JAMES L. ROWE.

Sworn to and subscribed before me this 14th day of September, 1896.

L. A. GARDINER,
Notary Public.

[SEAL.]

MR. THOMAS W. DUNCAN, being duly sworn, deposes and testifies as follows:

Q. 216. Please state your name, age, residence and occupation.

A. Name, Thomas W. Duncan; age, thirty-eight; residence, Elgin, Illinois; occupation, president of the Illinois Watch Case Company.

Q. 217. What relation does Mr. Max C. Eppenstein hold to your company?

A. He is a director.

Q. 218. Does your company manufacture bicycles?

A. No, sir.

Q. 219. Has it manufactured bicycles?

A. Bicycles are manufactured by the Elgin Cycle Company.

Q. 220. What is the "Elgin Cycle Company"?

A. It is a corporation.

Q. 221. Who are its officers?

Question objected to as immaterial, irrelevant and incompetent, inasmuch as the Elgin Cycle Company is not a party to this suit, is shown to be a distinct corporation, and is not shown to be manufacturing or selling either watches or watch-cases, and the witness is advised that he can decline to answer questions relating to the private business of that company or its stockholders, directors or officers, if he so desires.

A. Upon advice of counsel, I refuse to answer that question.

Q. 222. If the Elgin Cycle Company is a corporation, the question "Who are its officers" is not a question relating to private business but to a public corporation, and I request you to answer it.

Defendants' counsel suggests that complainant, if they desire to pursue the inquiry, examine the public records and get such information as they may afford.

Complainant's counsel reply that the public records may show who were the incorporators and who were the officers during the first year of the corporate existence, but would not show who the officers were after that time, nor, in case of a resignation, would they even show who all the officers

were during that time. He therefore requests an answer to the question.

A. I still refuse to answer.

Q. 223. When I put that question to you, and before defendants' counsel commenced his objections and instructions, you began your reply to the question with the words "I am its president," did you not?

A. I did.

Q. 224. Now who is its secretary?

Same objection.

A. Upon advice of counsel, I refuse to answer that question.

Q. 225. Are not its officers the same persons who are officers of the Illinois Watch Case Company?

Same objection.

A. Answer refused.

Q. 226. Is not its stock held by the same persons who hold the stock of the Illinois Watch Case Company?

Same objection.

A. Answer refused.

Q. 227. Is not its business carried on in one end of the same building which is occupied by the Illinois Watch Case Company as its manufactory?

A. It is.

Q. 228. Are not all the liabilities of the Elgin Cycle Company on its bicycle factory account contracted in the name of the Illinois Watch Case Company?

Same objection.

A. Answer refused.

Q. 229. Is not the name, the "Elgin Cycle Company," the name of the selling department of the Illinois Watch Case Company's bicycle factory?

Same objection.

A. Answer refused.

Q. 230. In making statements of the assets and liabilities of the Illinois Watch Case Company, have the officers of that company never included among its assets and liabilities the assets and liabilities of the Elgin Bicycle Company?

Same objection.

A. Answer refused.

Q. 232. You say that the Elgin Bicycle Company is an incorporated company. When and where was it incorporated?

Question objected to as not calling for the best evidence, the records themselves being the best evidence.

A. I couldn't answer that question as to date; I can't recall the date.

Q. 233. Where was it incorporated—in Illinois or some other state?

A. In Illinois.

Q. 234. Can you say in what year it was incorporated?

A. In '95.

Q. 235. In what season of the year?

A. I can't tell you the month now.

Q. 236. When was that part of the building built in which the Elgin Cycle Company carries on its manufacture?

A. In '95.

Q. 236. How long did it take to build it?

A. I don't remember.

Q. 238. State as near as you can.

A. About two months.

Q. 239. Was it commenced before or after the incorporation and organization of the Elgin Cycle Company?

A. I don't remember.

Q. 240. Do you remember in what month the building was commenced?

A. I do not.

Q. 241. Was the building commenced by the Illinois Watch Case Company or the Elgin Cycle Company?

A. The building was commenced by the Illinois Watch Case Company.

Q. 242. Who owns the building?

A. The Illinois Watch Case Company.

Q. 243. Who owns the machinery in the building?

A. The Illinois Watch Case Company.

Q. 244. Who pays the mechanics who operate that machinery?

Same objection.

A. Answer refused.

Q. 245. Who buys the raw material that is worked up into bicycles there?

Same objection.

A. Answer refused.

X Q. 246. Mr. Duncan, you were subpœnaed this morning while in this room in attendance upon the examination of a witness called by the complainant in the suit against the Illinois Watch Case Company, yourself and another, were you not?

A. I was.

THOMAS W. DUNCAN.

Sworn to and subscribed before me this 14th day of September, 1896.

L. A. GARDINER,
Notary Public.

[SEAL.]

Two o'clock P. M. Met pursuant to adjournment. Present as before.

MR. JOHN P. OWEN, being first duly sworn, deposes and testifies as follows:

Q. 247. Please state your name, age, residence and occupation.

A. Name, John P. Owen; age, forty; residence, Chicago; occupation, salesman.

Q. 248. With what concern are you employed?

A. M. A. Mead & Co.

Q. 249. What is their business?

A. Wholesale watch dealers.

Q. 250. How long have you been with them?

A. Nine years.

Q. 251. How long have you been in the watch business?

A. Twenty-four years.

Q. 252. Are you familiar with the watch-movements made by the Elgin National Watch Company?

A. Yes, sir.

Q. 253. Does your concern handle a good many of those movements?

A. Yes, sir; they handle a great many of them.

Q. 254. Are there any watch-movements on the market called "nameless movements"?

A. Yes; the majority of movements are nameless.

Q. 255. What is to be understood by "nameless movements"?

A. A "nameless movement" would be a watch that would not bear any distinguishing mark. It would not be sold as a Waltham, an Elgin, nor by what factory manufactured.

Q. 256. No trade-mark or manufacturer's name on it?

A. That's the idea; no trade-mark or manufacturer's name.

Q. 257. Has your concern handled any watch-cases make by the Illinois Watch Case Company?

A. Not that I can recall. It may have sold an odd case or two as an accommodation to some customer—but so few that I couldn't recall.

Q. 258. By what name are watches known in all parts of the world, which contain movements made by the Elgin National Watch Company?

A. They are known as "Elgin watches."

Q. 259. I now show you two watch-cases made by the Illinois Watch Case Company, one of them marked "Complainant's Exhibit Defendants' Elgin Commander Watch-Case" and the other marked "Complainant's Exhibit Defendants' Elgin Tiger Watch-Case." The Illinois Watch Case Company also makes other watch-cases which they mark "Elgin Giant," but I have not one of them here at present. Please examine these watch-cases and observe that the word "Elgin" is marked upon them. Please state whether or not, in your opinion, the use of the word "Elgin" on these watch-cases is liable to cause the purchasing public, or a portion of it, to be deceived into buying watches as "Elgin" watches which are not Elgin watches, but are movements made by some other parties and put into cases like these, bearing the word "Elgin."

A. Yes; I would say that that tended to deceive. A person would think that they were getting a watch manufactured by the Elgin National Watch Company.

Cross-Examination by Mr. Banning.

X Q. 260. Is your business in the wholesale or retail?

A. Wholesale.

X Q. 261. Did you ever personally know of a person being deceived by the use of the word "Elgin" on a watch-case into buying a watch-movement that was made by some other concern than the Elgin National Watch Company?

A. I can't say that I have ever had a case of that kind come directly before me, but I've had people hand me different watch-cases with nameless movements in them, having bought them as this make of watch or that make of watch, when they were imitations.

X Q. 262. What is the difference between a watch-case and a watch-movement?

A. A "watch-movement" is a machine that measures the time; a "watch-case" is the covering for the watch to protect it from dust or damage.

X Q. 263. A watch-case and a watch-movement are separate and distinct articles of manufacture, are they not?

A. To the manufacturer—yes.

X Q. 263½. Do you mean to say that the use of the word "Elgin" on the watch-movement or on the watch-case would cause an ordinary purchaser to understand that the whole thing—the movement and the case—were the manufacture of the Elgin National Watch Company?

A. I should say that a very large percentage of people would consider it an Elgin watch—seventy-five per cent., say. That would be my idea of it.

X Q. 264. You use the term "Elgin watch" in your last answer to include the whole thing, do you?

A. Yes, sir.

X Q. 265. Do you know where the Elgin National Watch Company manufacture their watch-movements?

A. Yes, sir; Elgin, Ill.

X Q. 266. Is not Elgin, Illinois, a town with a very wide reputation as a place where watches are manufactured?

A. Where Elgin watch-movements are manufactured.

X Q. 267. Where complainants manufacture?

A. Of course it is known among all dealers and largely among the public. I should say that there were more people—I might say there are many more people—who have no knowledge of it as a place where watches are manufactured than do.

X Q. 268. Do you make that last statement as a fact within your own knowledge, or how?

A. I simply give that as an opinion. In twenty-five years of experience in this business I find the general public know less about watches and watch-cases than they are credited with knowing.

X Q. 269. That is, than you thought they knew?

A. Yes, sir.

X Q. 270. You have dealt, and are still dealing, largely in complainant's watch-movements; is this so?

A. Yes, sir.

X Q. 271. Did you ever, to a large extent, sell watch-movements made by any other concern?

A. Yes, sir; Waltham watches—I can't say any other movement largely than the Waltham. We have handled other watches, but not in large quantities.

X Q. 272. Do you know where the Illinois Watch Case Company has its factory?

A. I have always understood it was at Elgin, Ill.

X Q. 273. From your experience in the sale of Elgin watch-movements, do you think that any person would

be liable to buy an Elgin bicycle under the supposition that he was buying an Elgin watch?

A. I couldn't conceive of a man as ignorant as that.

Re-Direct Examination.

R-D. Q. 274. You and the dealers and manufacturers clearly distinguish between a watch-case and a watch-movement; how about the ordinary consumer or customer?

A. A greater percentage of the people know the article as a watch—either gold, filled or silver—as a silver watch, a gold watch or a filled watch, as the case may be.

JOHN P. OWEN.

Sworn to and subscribed before me this 14th day of September, 1896.

L. A. GARDINER,
Notary Public.

[SEAL.]

Mr. LEO HETTICH, being first duly sworn, deposes and testifies as follows:

Q. 275. Please state your name, age, residence and occupation.

A. Leo Hettich; age, fifty-six; residence, Chicago; occupation, watch-maker.

Q. 276. Do you deal in watches?

A. Yes, sir.

Q. 277. How long have you been dealing in watches?

A. In business for myself thirteen years—in connection with a partner. Before that, always in watches and jewelry, repairing and dealing in watches—since '52.

Q. 278. Do you handle any watch-movements made by the Elgin National Watch Company?

A. Yes, sir.

Q. 279. How long have you been handling them?

A. Since '67 or '68, along there.

Q. 280. By what name are the watches which contain movements made by the Elgin National Watch Company known all over the civilized world?

A. Elgin watches.

Q. 281. Do you handle any watch-cases made by the Illinois Watch Case Company?

A. No, sir.

Q. 282. Is your business a wholesale or retail?

A. Retail, altogether.

Q. 283. The Illinois Watch Case Company make and sell watch-cases under the name of "Elgin Commander," "Elgin Tiger" and "Elgin Giant." I show you two of those cases, marked, respectively, "Complainant's Exhibit Defendants' Elgin Commander Watch-Case" and "Complainant's Exhibit Defendants' Elgin Tiger Watch-Case." Please examine these two exhibits and observe how the word "Elgin" is used in both of them, engraved or stamped in the case. Please state whether or not watch-cases marked with the word "Elgin," as these exhibits are marked with it, would be liable, in your opinion, to deceive the ordinary watch buyer or user into buying as an Elgin watch a watch whose movement was made by some other party than the Elgin National Watch Company, and was offered for sale in cases like these.

A. I should think it would be likely to deceive a customer, especially if it was in unscrupulous hands, telling them it was an "Elgin" watch. If it had a nameless movement in it there would be no way for a customer who was not posted to tell.

Q. 283. Has any instance ever come to your personal knowledge where a customer has been deceived in that way?

A. Yes, sir; there was a customer of ours bought a watch, I believe, from what is called the "Elgin Watch and Jewelry Company," corner of Madison and La Salle streets, in the basement, that was a filled case—"Elgin" in the case, and a Columbus movement in the case—which he claimed he had purchased as a solid 14-karat gold Elgin watch.

Q. 284. If I understand you correctly, the word "Elgin" was marked in the case?

A. It was, somewhere in the case—I won't be sure where. I know it was a filled case.

Q. 285. You saw the case yourself, did you?

A. I saw the case.

Q. 286. And the watch?

A. And the movement.

Q. 287. The concern that sold that to your customer was the concern which, operating under that name, was run out of town by the police shortly afterwards for fraudulent dealing, was it not?

A. I know they left there, and I know they were sued a number of times—I saw their names in the papers—before justices, for not selling goods as they were represented.

Q. 288. Did you lose the sale of a watch by that fraud?

A. Yes, sir.

Cross-Examination by Mr. Banning.

X Q. 289. How do you know you lost the sale?

A. He was into our store pricing watches, and we gave him the lowest price at which we could sell an Elgin movement and case. He said if he couldn't do better he would come back; and we had sold him other goods before. I didn't see him again until about six months af-

terwards—a year afterwards—I don't remember about the time; it might have been a year afterwards, when he brought a lady's watch in for repair. It had a short plated fob. Knowing he had been in to see about purchasing a watch, when he brought this one in for repair I asked him if that was the watch he had purchased in place of the one he was going to buy from us. He said it was. I told him that was not a 14-karat watch in the first place, and it was not an Elgin movement. He said he had purchased it for a solid 14-karat case and Elgin movement. He gave me to understand that he thought it was an Elgin movement up to the time I told him it was not.

X Q. 290. Do you know anything, of your own knowledge, about what representations were made to him at the time he bought the watch?

A. Only what he told me.

X Q. 291. So far as you know, he may have purchased the watch knowing exactly what it was, may he not?

A. That would be possible.

X Q. 292. The watch-case that customer had got was not made by the Illinois Watch Case Company, was it?

A. That I couldn't say.

X Q. 293. Did you ever know of any one buying a watch-movement in a watch-case made by the Illinois Watch Case Company under the belief that they were buying a watch-movement made by the Elgin National Watch Company?

A. Not to my personal knowledge.

X Q. 294. Watch-cases and watch-movements are distinct articles of manufacture, are they not?

A. Yes, sir.

X Q. 295. Do you think that the ordinary purchaser, seeing the word "Elgin" on the watch-movement, would

understand that the whole thing, both movement and case, were manufactured by the Elgin National Watch Company?

A. No, the ordinary customer would not; but some customers think they make the whole—both movement and case.

X Q. 296. Has not the City of Elgin, Illinois, been long and widely known as a point where watches were extensively manufactured?

A. It has around here, I know.

X Q. 297. Is there, in your judgment, any other city in the United States so well known as the City of "Elgin" as a point where watches are manufactured?

A. Yes, sir; Waltham, Mass.

X Q. 298. How extensively do you handle watch-movements made by the Elgin National Watch Company?

A. We probably sell more Elgin movements than all the others together.

Re-Direct Examination by Complainant's Counsel.

R-D. Q. 299. Who has given the City of Elgin its great reputation as a place where watches are made?

A. The Elgin National Watch Company.

LEO HETTICH.

Sworn to and subscribed before me this 14th day of September, 1896.

L. A. GARDINER,
Notary Public.

[SEAL.]

Adjourned until 10 o'clock A. M., September 15th.

Ten o'clock A. M. Met pursuant to adjournment. Present as before.

In lieu of offering in evidence a certified copy of the opinion of the Circuit Court of Cook County, Illinois, in the case of *Elgin National Watch Co.* v. *Eppenstein et al.*, as was proposed at a previous session, it is agreed, subject to any objections on the part of defendants' counsel as to relevancy or competency, that complainant's counsel may put in evidence the report of that opinion printed on pages 142 and 143 of the Chicago Legal News, published December 24, 1892, Vol. XXV., No. 17. Complainant's counsel now offers in evidence said copy so printed, to be marked "Complainant's Exhibit Judge Horton's Opinion;" and also directs the Examiner to make a typewritten copy of the opinion and syllabus and append it to this deposition, in order that it may be printed in the record.

Defendants' counsel, waiving the production of a certified copy of the opinion, objects to its offer in evidence on the ground that it is incompetent, irrelevant and immaterial to the issues in this case.

CIRCUIT COURT OF COOK COUNTY.

Opinion Filed December 21, 1892.

Elgin Nat. Watch Co. v. *Eppenstein et al.*

TRADE-NAME—RIGHTS IN—INJUNCTION.

When parties have, by their mode of doing business, and by the quality of the product of their manufactories, and by selling and delivering to the public articles as valuable as represented or promised, built up under a chosen name, a reputation which is of great value, they should be protected in the use of that name.

In the present case, the defendants are enjoined from procuring to be recorded in the recorder's office a certificate of incorporation of a company bearing the same or similar name, of an old established corporation.

A trade-name may not only be as valuable as is a trade-mark, but it will be protected the same as will a trade-mark. The principles underlying these decisions are, first, the injury to the public by leading it to suppose that the goods of one are the goods of the other, and, second, the injury to the owner of the trade-mark or name, by the diversion of his trade into other channels, by the belief of the public that they are obtaining his goods.—[ED. CHICAGO LEGAL NEWS.

HORTON, J.: These cases are now before the court upon motions to dissolve the injunctions heretofore granted in said causes respectively. One of these injunctions restrains the defendants as follows: "From proceeding to complete the organization of 'the Elgin National Watch Case Company of Elgin, Illinois,' by recording in the office of the recorder of deeds of Kane County, Illinois, the final certificate of organization thereof heretofore issued by the secretary of state of the State of Illinois; and you, the said Charles A. Miller, recorder of Kane County, Illinois, from receiving, filing, or recording said final certificate in your office as such recorder or otherwise; and you, the said Max C. Eppenstein, Sol C. Eppenstein and Thomas W. Duncan from in any manner using or attempting to use the name 'The Elgin National Watch Case Company of Elgin, Illinois,' in the business of manufacturing or selling watches, watch-cases, jewelry or parts thereof or materials therefor, or any other name so nearly resembling the complainant's corporate name, 'Elgin National Watch Com-

pany,' as to be calculated to mislead or deceive, and from in any manner violating, infringing upon or interfering with the complainant's corporate name aforesaid." The other injunction is substantially the same.

It is urged by solicitors for defendants that the action of the secretary of state in granting the final certificate to "The Elgin National Watch Case Company, of Elgin, Illinois," is final and conclusive. The opinion of the Supreme Court of this state, cited in support of this position, being the *Illinois Watch Case Company* v. *Pearson*, 31 N. E. Rep., p. 400, as I read it, does not sustain this position.

The final certificate must be filed for record as required by the statute before the corporation is fully organized. "It is a condition precedent to the power of the corporation to proceed to business." *Levering* v. *McLoughlin*, Chicago Legal News, November 19, 1882, page 98, and cases there cited.

The certificate of incorporation or license issued by the secretary of state to "The Elgin National Watch Case Company, of Elgin, Illinois," not having been recorded as required by the statute, that company is not a corporation *de jure* or *de facto*. As to the questions involved in the cases now before this court, the case of *Bushnell* v. *Consolidated Ice Machine Co.*, 4 Am. R. R. & Cor. Rep., p. 527, also reported 27 N. E. Rep., 590, is cited as being in conflict with this view. That case was heard before me, and the Supreme Court in affirming the opinion of this court, does not decide, as is argued.

It is objected also by solicitors for defendants that "The Elgin National Watch Case Company, of Elgin, Illinois," is not made a party defendant to this cause, and that such company is a necessary party, and that this court cannot entertain jurisdiction to determine as to the

validity of its organization or its power to proceed to business in the absence of such company as a party. The complainants could not make that company a party defendant as a corporation, without by so doing admitting, for the purpose of these cases, that it is an existing corporation. *People* v. *Rensselaer & Saratoga R. R. Co.*, 15 Wendell, p. 115. That is one of the issues presented for the court to determine.

It is also urged that this court has no jurisdiction of the defendant, Charles A. Miller, recorder of Kane County.

A writ of injunction of this court operates throughout this state. Starr & Curtis' Statutes, Chap. 37, Sec. 68.

And besides, the recorder has filed his answer and submitted himself to the jurisdiction of this court, stating, "That he shall in all respects obey said injunction of this honorable court, and all other orders and directions which it may make in the premises respecting this defendant." The jurisdiction of the court will be maintained. *Vermont Farm Machine Co.* v. *Marble, Commissioner of Patents*, 20 Fed. Rep., 117.

Of the two bills before the court one is filed by "Elgin National Watch Company" and the other by "Elgin Watch Case Company." The name complained of is "The Elgin National Watch Case Company, of Elgin, Illinois."

The place of business and principal office of the two corporation complainants is in Chicago, Cook County, and the principal office and place of business of the proposed corporation is at Elgin, Kane County, Illinois.

On behalf of complainants it is urged that the use of the name, which it is claimed by the defendants they have the right to use, namely, "The Elgin National Watch Case Company, of Elgin, Illinois," will create confusion

in business circles and among their customers, and cause great damage to the complainants, and especially the complainant, The Elgin National Watch Company.

These are all Illinois corporation names. It is held by the Supreme Court of this state in *Illinois Watch Case Company* v. *Pearson*, 31 N. E. Rep., 400, that sections 2 and 50 of the Illinois Statutes, as to corporations, should be construed together, because, although embraced in different acts, they were passed at the same session of the legislature, etc. Section 2 applies to the original organization of corporations, and section 50 to the changing of names of corporations. In the section first named it is provided that "no license shall be issued to two companies having the same name," and in section 50, that "no name shall be assumed or adopted by any corporation similar to or liable to be mistaken for the name of any other corporation organized under the laws of this state, without the consent of such other corporation." Aside from and independent of the general rule laid down to the courts, the legislature has by this statute by implication provided that an Illinois corporation may, by proper legal proceedings, prevent the organization of any other corporation under the laws of this state, with the same or a similar corporate name, when the consent thereto of such existing corporation has not been obtained.

The protection of the public, as well as the rights of corporations or individuals, is to be considered by the court. It is clearly in the interest of the public that no corporation should be authorized, having the same name, as a pre-existing corporation, and also that no name should be assumed by a corporation similar to or liable to be mistaken for the name of any other corporation organized under the laws of this state.

Putting the word "The" at the commencement of the

name and the words "of Elgin, Illinois," at the conclusion, does not materially tend to prevent confusion. In ordinary use it would be called "Elgin National Watch Case Company."

A large number of affidavits have been filed in these causes, from which it appears that confusion has arisen in regard to these names. These affidavits also tend to show actual damages to the complainant, The Elgin National Watch Company.

It appears that the defendants are seeking to establish or incorporate "The Elgin National Watch Case Company, of Elgin, Illinois," as the successor of "Illinois Watch Case Company," whose watch-case factory has been for some time located at Elgin. It also appears that the "Illinois Watch Case Company" sought to change its name to "Elgin Watch Case Company," but that before such change of name was completed the complainant, "Elgin Watch Case Company," was incorporated under the general laws of this state, and thereupon the secretary of State refused a license to change the name of the "Illinois Watch Case Company" to the "Elgin Watch Case Company," presumably under the restriction contained in section 50 of the statute as to corporations above quoted, viz.: "That no name shall be assumed or adopted similar to or liable to be mistaken for the name of any other corporation."

Some of the defendants, or those interested with them, thereupon applied to the Supreme Court of this state to obtain a writ of mandamus by which they sought to compel the secretary of state to issue the certificate of the change of name above indicated. The Supreme Court refused to so command; and it is the opinion of the Supreme Court in that case, cited above as "*Illinois Watch Company* v. *Pearson.*"

The fact that defendants are so anxious and so persistent in their determination to adopt this or some similar name may be regarded as an evidence that they think it is valuable and desirable. If valuable and desirable, why? Is it not reasonable to presume that it is, in part, at least, because the complainant, the "Elgin National Watch Company," has made it so, when connected with watches or parts thereof?

When parties have, by their mode of doing business, and by the quality of the product of their manufactories, and by selling and delivering to the public articles as valuable as represented or promised, built up under a chosen name, a reputation which is of great value, they should be protected in the use of that name.

The protection of the public in preventing any other persons from assuming a like or similar name is at the same time a protection of such parties. A trade-name, like a trade-mark, may be of great value, and that value may have been entirely created by the parties who seek to be protected in its use.

The words "Elgin" and "National" and "Watch" are general or geographical words or names that cannot be appropriated to the exclusion of others; but they may be so used when taken together or in connection with certain manufactured articles as to create and establish a special signification, and in the use of those words, or any or either of them, in such connection, and with such special signification, the parties entitled thereto should receive protection from the courts.

A trade-name may not only be as valuable as is a trade-mark, but it will be protected the same as will a trade-mark; *Gray* v. *Taper Sleeve Pulley Works*, 16 Fed. Rep., 439.

The priciples underlying the decisions supporting the

views here expressed are: first, the injury to the public by leading them to suppose that the goods of one are the goods of the other; and, secondly, the injury to the owner of the trade-mark, or name, by the diversion of his trade into other channels, by the belief of the public that they are obtaining his goods. *Farmers Loan & Trust Company* v. *Farmers Loan & Trust Company of Kansas*, 21 Abbott's New Cases, 109.

The rule as to trade-names herein stated applies to corporations the same as it does to individuals.

That confusion would follow if "The Elgin National Watch Case Company, of Elgin, Illinois," should be incorporated and continue to transact business in that name, seems to me certain, and is supported by numerous affidavits. As an evidence to my mind that such confusion would follow I may say that I found it necessary to write these several names down and thus impress them clearly upon my mind to prevent confusion in considering these cases. That damage to the complainant watch company would result seems to be more than probable.

From these conclusions it follows that the motion to dissolve the injunction must be denied.

W. H. & J. H. MOORE & PURCELL, and BANNING, BANNING & PAYSON, for complainant.

D. J. WILE and BOND, PICKARD & ADAMS, for defendants.

FRED G. THEARLE, JR., being first duly sworn, deposes and testifies as follows:

Q. 300. Please state your name, age, residence and occupation.

A. Name, Fred G. Thearle, Jr.; age, thirty-six; residence, Chicago; occupation, wholesale and retail jeweler.

Q. 301. Do you handle watches in your business?

A. Yes.

Q. 302. How long have you been engaged in the watch business?

A. Nineteen years.

Q. 303. Have you handled any considerable number of watches containing movements made by the Elgin National Watch Company?

A. Yes.

Q. 304. By what name are the watches made by the Elgin National Watch Company everywhere known?

A. As "Elgin watches."

Q. 305. Have you ever handled any watch-cases made by the Illinois Watch Case Company?

A. No.

Q. 306. Please examine the three watch-cases which I now show you, one of which is marked "Complainant's Exhibit Defendants' Elgin Commander Watch Case," another is marked "Complainant's Exhibit Defendants' Elgin Tiger Watch Case," and the third, not yet marked as an exhibit, is a watch-case made by the Illinois Watch Case Company and marked on the inside in one place "Elgin Giant" and in another place "Warranted Giant 20 years," and also contains a certificate in which it is called the "Elgin Giant," and, attached to the bow by a string, a dealer's tag on which is marked the words "Elgin Giant." After examining said cases with the word "Elgin" stamped or engraved on the "Tiger" and "Commander" exhibits, and also stamped on the inside of the back case of the "Giant" exhibit, please state whether or not, in your opinion, the introduction of these watch-cases of defendants upon the market would be liable to lead to frauds upon the public and to customers being deceived into buying for Elgin watches

watches not made by the Elgin National Watch Company?

A. It would, in my opinion.

Q. 307. Are cheap watches largely put onto the market at auction?

A. There is a large number sold at auction every year.

Q. 308. How is that done?

A. It is done in two ways. One is by a jeweler employing an auctioneer; the other is by opening auction sales-rooms by professional auctioneers.

Q. 309. Do you know the firm of Max C. Eppenstein & Co., of Chicago?

A. I know of them—yes.

Q. 310. How are their goods handled?

A. In addition to the regular methods of selling I have always understood that they made a specialty of the auction business and of supplying auctioneers.

Q. 311. Do you know whether or not they handle large numbers of watch-cases made by the Illinois Watch Case Company?

A. I understand that they make a specialty of the product of that factory.

Cross-Examination by Mr. Banning.

X Q. 312. When you say that the watch-movements made by the Elgin National Watch Company are everywhere known as Elgin watches, what do you mean by "everywhere"?

A. Throughout the United States and wherever in foreign countries the Elgin National Watch Company solicits business.

X Q. 313. How do you know? Have you been there to ascertain?

A. No.

X Q. 314. You simply know that the products of that

company are known among those persons and firms with which you have done business as "Elgin Watches." Isn't that the extent of your information?

A. Yes.

X Q. 315. You have said, in effect, that these exhibits before you were liable to lead to deception. Have you ever known of anyone being deceived by these exhibits or others containing the same words?

A. No.

X Q. 316. A watch-case and a watch-movement are separate and distinct articles of manufacture, are they not?

A. Yes.

X Q. 317. Do you consider the use of the word "Elgin" on watch-movements, for instance, would be understood by the ordinary purchaser as indicating that the whole thing—the watch-movement and the watch-case—were made by the Elgin National Watch Company?

A. Yes; in many instances.

X Q. 318. Have you ever known of the product of the Elgin National Watch Company being sold at auction?

A. Yes.

X Q. 319. The selling at auction, then, isn't confined to the product of the Illinois Watch Case Company, is it?

A. No.

X Q. 320. When you see the word "Elgin" on a watch-movement, for instance, where do you understand such watch-movement was made?

A. At Elgin, Illinois.

X Q. 321. That is where the Elgin National Watch Company has its factory, is it not?

A. It is.

X Q. 322. And that is also where the Illinois Watch Case Company has its factory, is it not?

A. Yes.

X Q. 323. Isn't the city of Elgin, Illinois, widely known as a point at which watches are manufactured?

A. Yes.

X Q. 324. What other city in the United States is as well known as a place at which watches are made as Elgin, Ill.?

A. Probably Waltham, Mass.

X Q. 325. Any other, in your opinion?

A. No.

Re-Direct Examination by Complainant's Counsel.

R-D. Q. 326. Do you know of any other watch manufactory at Elgin, Ill., besides that of the Elgin National Watch Company?

A. No—watch-movements.

R-D. Q. 327. Is or is not the Elgin National Watch Company the party which has given the City of Elgin its wide reputation as a place where watches are made?

A. In my opinion, it is.

R-D. Q. 328. You have testified that a watch-case and a watch-movement are separate and distinct articles of manufacture; how is it with the ordinary customer or user—does he regard them as separate and distinct articles, or does he look at them as one article called, in their entirety, a watch?

A. I think the majority of purchasers regard the case and movement as simply a complete watch.

Complainant's counsel offer in evidence the watch-case which has been referred to during Mr. Thearle's deposition as marked with the words "Elgin Giant," said watch-case containing the printed certificate marked with the same words, and the Examiner is directed to mark this exhibit "Complainant's Exhibit Defendants' Elgin Giant Watch-Case."

It is admitted by defendants' counsel, as at present advised, that this exhibit marked "Elgin Giant," and numbered 95,224, is a watch-case made by the defendant, the Illinois Watch Case Company.

FRED G. THEARLE, JR.

Sworn to and subscribed before me this 15th day of September, 1896.

L. A. GARDINER,
Notary Public.

[SEAL.]

LOUIS H. SCHAFER, being first duly sworn, deposes and testifies as follows:

Q. 329. Please state your name, age, residence and occupation.

A. Louis H. Schafer; age, twenty-seven years; residence, Chicago; occupation, I have charge of the watch department of Norris, Alister & Co., Chicago.

Q. 330. Does that concern do a large business in watches?

A. Yes, sir.

Q. 331. How long you been in the watch business?

A. Fifteen years.

Q. 332. Does your firm deal largely in watch-movements made by the Elgin National Watch Company, and in watches containing said movements?

A. It does.

Q. 333. Does your firm handle any watch-cases made by the Illinois Watch Case Company?

A. No.

Q. 334. By what name are watches containing movements made by the Elgin National Watch Company known to the trade and the public?

A. "Elgin" watches.

Q. 335. I show you three watch-cases, marked, respectively, "Complainant's Exhibit Defendants' Elgin Commander Watch-Case," "Complainant's Exhibit Defendants' Elgin Tiger Watch-Case" and "Complainant's Exhibit Defendants' Elgin Giant Watch-Case," and ask you to examine the words engraved or stamped on the inside of said three cases. Having done so, will you please state whether or not, in your opinion, the introduction of watch-cases marked as these three cases are marked is liable to mislead the public and to cause the ordinary purchaser or user to purchase as the product of the Elgin National Watch Company watches containing movements that were not made by the Elgin National Watch Company, but by other manufacturers?

A. In my opinion, it would.

Cross-Examination by Mr. Banning.

X Q. 336. Watch-cases and watch-movements are separately distinct articles of manufacture, are they not?

A. Yes, sir.

X Q. 337. Where does the Elgin National Watch Company have its factory and make its watch-movements?

A. At Elgin, Ill.

X Q. 338. Whenever you see a watch-movement with the word "Elgin" on it, what do you understand from such word?

A. That it is manufactured by the Elgin National Watch Company, at Elgin, Ill.

X Q. 339. In your opinion, would an ordinary purchaser in seeing the word "Elgin" on a watch-movement made by the Elgin National Watch Company understand that the whole thing—the watch-movement and its case—were made by the Elgin National Watch Company?

A. Yes; for that name "Elgin" being so well known by the general public would naturally convey that impression.

X Q. 340. The City of Elgin, Ill., is widely known as a point for the manufacture of watch-movements, is it not?

A. Yes.

X Q. 341. Do you know of any city in this country that is more widely known for such manufacture?

A. No.

X Q. 342. You have expressed the opinion that the introduction into the trade of cases like these three exhibits would cause an ordinary purchaser to be deceived; have you, in your experience, ever known of any one being so deceived?

A. No.

X Q. 343. Look again at these three exhibits and tell us which word or words on or about them would cause an ordinary purchaser, in your opinion, to be deceived.

A. The word "Elgin."

X Q. 344. The word "Elgin" is used in different connections in these exhibits; at which one of these places would the word "Elgin" cause a deception or mistake?

A. The word stamped on the metal of the case.

X Q. 345. In your opinion, would the word "Elgin," as used in the printed guaranty certificates in the cases of these three exhibits, be liable to cause mistake or deception to the ordinary purchaser?

A. I think that the word "Elgin," as used in the guaranty, would have a great influence on a number of buyers of the watch-cases referred to.

X Q. 346. The word "Elgin" is used twice in each of these printed guaranty certificates. Which one of these two uses do you think would be liable to cause

mistake or confusion as to the origin of the goods?

A. "Elgin, Ill."

Re-Direct Examination by Complainant's Counsel.

R-D. Q. 347. Suppose that a dealer was dishonest enough to endeavor to sell, as an Elgin watch, a movement not made by the Elgin National Watch Company, enclosed in a case made by defendants, having the word "Elgin" stamped upon the case and having the printed guaranty placed within the back case. Would such dealer, in your opinion, permit the printed guaranty to remain within the case and be seen by his customers, or would he remove such printed guaranty before showing the case?

A. If he were inclined to be dishonest, I should say that he would undoubtedly remove the guaranty and show the stamp in the case only.

LOUIS H. SCHAFER.

Sworn to and subscribed before me this 15th day of September, 1896.

L. A. GARDINER,
Notary Public.

[SEAL.]

Adjourned until 2 P. M.

Two o'clock P. M. Met pursuant to adjournment. Present as before.

Mr. GEORGE S. PRINDLE, being first duly sworn, deposes and says as follows:

Q. 348. Please state your name, age, residence and occupation.

A. Name, Geo. S. Prindle; age, sixty; residence, Washington, D. C.; occupation, lawyer.

Q. 349. Complainant's counsel put in evidence in this case a copy of the Washington Evening Star of August

8, 1896, which has been marked "Complainant's Exhibit Evening Star." It was offered in evidence by reason of a bicycle advertisement appearing in the first column of the eighth page of the newspaper. Will you please state how that newspaper came to the attention of complainant's counsel?

A. This paper was purchased by me in Washington and brought by me to Chicago and placed in the hands of complainant's counsel.

Q. 350. Is it of the regular issue of the Evening Star of that date?

A. It is.

Q. 351. If after seeing that newspaper you interviewed the party who caused the advertisement to be put in it, will you please state the fact and when it was and what occurred at the interview?

Defendants' counsel objects to the question if it is sought to elicit what the party said to the witness, as calling for hearsay evidence and as being incompetent.

A. Upon the 10th day of August last one of my clerks called my attention to the fact that bicycles were advertised in the Evening Star as manufactured by the Elgin National Watch Company. I immediately went out and purchased the copy of said paper here in evidence, and then called at the place of business noted in in the advertisement, to wit, Nos. 1110 and 1112 Connecticut avenue, Washington, D. C. Upon reaching the said place I inquired for one of the firm, there being two names on the sign over the door. A gentleman came forward and stated that he was a member of the firm, and I then inquired whether they sold bicycles made by the Elgin Watch Company, stating that I had seen an advertisement to such effect in the Evening Star. The party

answered that they did, and showed me several of the bicycles, praising them very highly, and stating, in substance, that as they were the product of the Elgin Watch Company they must, of necessity, be the very best. After some considerable conversation, in which I drew him out fully upon this point, I asked him how he knew that they were manufactured by the Elgin Watch Company, and he stated in reply that he was so informed by those from whom he obtained the bicycles. I then informed him that the Elgin Watch Company did not manufacture bicycles, had never manufactured bicycles, and, in fact, had never manufactured anything but watches; and that, therefore, his statements, both as contained in his advertisement and made orally, were false and liable to get him into trouble if continued. In farther defense of his position he handed me a catalogue of the Elgin Cycle Company, which was a *fac simile* of the catalogue heretofore filed in evidence and marked "Complainant's Exhibit Defendants' Bicycle Catalogue," and pointed to the cut upon the first page of such catalogue as showing the Elgin Watch Company factory.

Upon my insistance that the Elgin Watch Company did not make the bicycles which he sold, and that he must cease so representing, he stated that he would promptly do so and would change his advertisements so that beyond those appearing in the evening papers of that day, which had already gone to print, there would be no farther occasion for complaint. I carefully examined the papers upon the next day, and found that in his advertisements all reference to the Elgin Watch Company had been omitted.

Q. 352. Have you seen the factory of the Illinois Watch Case Company at Elgin recently?

A. I have never seen it, to my knowledge.

Cross-Examination by Mr. Banning.

X Q. 353. Do you know the name of the parties with whom you talked at 1110 and 1112 Connecticut avenue?

A. I do not, as I did not impress them upon my memory at the time.

X Q. 354. Do you know who composed the Connecticut Avenue Cycle Company which you called on in Washington?

A. I do not. The party with whom I had conversation assumed full responsibility for the advertisement, and as the offensive portion of the advertisement was promptly withdrawn, I had no reason for farther inquiry.

X Q. 355. Do you ride a bicycle?

A. I do not.

GEO. S. PRINDLE.

Sworn to and subscribed before me this 15th day of September, 1896.

L. A. GARDINER,
Notary Public.

[SEAL.]

Mr. GEORGE E. HUNTER, being first duly sworn, deposes and testifies as follows:

Q. 356. Please state your name, age, residence and occupation.

A. Name, George E. Hunter; age, thirty-seven; residence, Elgin, Ill.; occupation, assistant superintendent Elgin National Watch Company.

Q. 357. Are you familiar with building in which the Illinois Watch Case Company carries on its business at Elgin?

A. I am.

Q. 358. Please look at the picture on the first page of "Complainant's Exhibit Defendants' Bicycle Cata-

logue," and state whether it is a correct representation of the building occupied by the Illinois Watch Case Company and the so-called Elgin Cycle Company.

A. It is not.

Q. 359. The picture represents an establishment with a large front building, a large parallel rear wing, and a large connecting building at one end of the other two; how does this arrangement differ from the real arrangement of the Illinois Watch Case Company's building?

A. The front elevation is substantially the same as the building. There are, however, no buildings in the rear of a greater height than one story, and those very much smaller than those represented in the cut.

Q. 360. I ask you to look at "Complainant's Exhibit Photograph of Works of Illinois Watch Case Company," and state whether that appears to be a correct representation of the building occupied by the Illinois Watch Case Company.

A. It is a correct representation of the front of the building.

Q. 361. Please look at the photograph I now hand you, and state what it represents.

A. This photograph represents a rear view of the building of the Illinois Watch Case Company.

Q. 362. A rear view of the same building that is shown in "Complainant's Exhibit Photograph of Works of Illinois Watch Case Company"?

A. Yes.

Complainant's counsel directs the Examiner to have the photograph which was just shown to the witness properly mounted and file it in evidence as "Complainant's Exhibit Photograph of Rear View of Defendants' Factory."

Q. 363. I now show you another photograph, and ask you to state what it represents.

A. This photograph represents the works of the Elgin National Watch Company at Elgin, Illinois.

Complainant's counsel offer in evidence the photograph last referred to by the witness, to be marked "Complainant's Exhibit Photograph of Works of Elgin National Watch Company."

Q. 364. Referring to the building conspicuous in "Complainant's Exhibit Photograph of Works of the Illinois Watch Case Company," what is the width of that building, if you know?

A. The width of the original building in which watch-cases are said to be manufactured is about thirty feet. The new portion, shown extending from the fire-wall to the right in this photograph, is about forty feet wide.

GEORGE E. HUNTER.

Sworn to and subscribed before me this 15th day of September, 1896.

L. A. GARDINER,
Notary Public.

O. C. HANSEN, being duly sworn, deposes and testifies as follows:

Q. 365. Please state your name, age, residence and occupation.

A. Name, O. C. Hansen; age, fifty-one years; residence, Chicago; occupation, watchmaker.

Q. 366. Where are you employed?

A. With Spaulding & Co., Chicago.

Q. 367. What is their business?

A. Dealers in watches and jewelry.

Q. 368. Do they do a large business in watches?

A. Yes, sir.

Q. 369. Wholesale or retail?

A. Retail only.

Q. 370. Do they handle a good many watches having movements made by the Elgin National Watch Company?

A. Quite a number.

Q. 371. By what name are such watches known to the trade and the public?

A. "Elgin watch."

Q. 372. Do Spaulding & Co. handle any watch-cases made by the Illinois Watch Case Company?

A. No, sir.

Q. 373. Please examine the three watch-cases now shown you, complainant's exhibits marked, respectively, "Defendants' Elgin Commander Watch-Case," "Defendants' Elgin Tiger Watch-Case," and "Defendants' Elgin Giant Watch-Case," and particularly observe the words and figures engraved or stamped on the inside of the cases. Then state whether or not, in your opinion, the introduction of watch-cases like these upon the market, with the word "Elgin" appearing engraved on the inside of the case, would be likely to mislead the ordinary buyer and user and to cause people to purchase as "Elgin watches" watches whose movements were not made by the Elgin National Watch Company, but were made by other manufacturers and cased in cases like these?

A. I should say that it would give a great opportunity to those who were evilly disposed or wished to deceive the watch-buying public, by calling their attention to the name "Elgin." That has become a name that means a good watch.

Q. 374. Does the ordinary user of watches know the

distinction between the movement and the case, or does he look upon the whole thing as the "watch"?

A. They look upon the whole thing as a watch.

Q. 375. And if they found the word "Elgin" engraved or stamped anywhere upon the case or the movement, would they, in your opinion, be liable to be led to believe that the whole watch is an Elgin watch?

A. I think a great many would be deceived by it.

Cross-Examination by Mr. Banning.

X Q. 376. Did you, in your own experience, ever know of a person's being deceived into buying a watch because its case was like one of these three exhibits?

A. No; we never sold any of these cases.

X Q. 377. Where do you find in these exhibits the use of the word "Elgin" which you think would cause a person to be deceived?

A. Inside the back of the case in one instance, and inside the cap in all.

X Q. 378. Do you mean that the word "Elgin" appears as stamped into the metal?

A. Yes, sir.

X Q. 378½. Take the use of the word "Elgin" as you find it in the printed guaranty certificate in these exhibits; do you think that as it is there used in the printed certificate it is likely to deceive an ordinary purchaser?

A. I think so.

X Q. 379. The word "Elgin" appears twice in these printed certificates—once as "Elgin Giant" and once as "Elgin, Illinois," for example. In which of these two uses do you think the word "Elgin" calculated to cause an ordinary purchaser to be misled or deceived?

A. I think both.

X Q. 380. Does the word "Elgin," in your opinion,

even though it appears on the movement of the watch, convey to ordinary purchasers the understanding that the whole thing—both the movement and the case—are the product of the Elgin National Watch Company?

A. My experience has been that most people are under the impression when they buy a watch that the case is made by the same company as the movement.

X Q. 381. You have expressed the opinion that the use of the word "Elgin" on the watch-case is calculated to cause the ordinary purchaser to believe that the watch-movement in the case is made by the Elgin National Watch Company. Is this also true, in your opinion, if the word "Elgin" appears on the watch-movement? Is the ordinary purchaser, in that case, liable to understand that the whole thing, both movement and case, is made by the Elgin National Watch Company?

A. In a great many cases—yes, sir.

X Q. 382. When an ordinary purchaser sees the word "Elgin" on a watch, either on the case or on the movement, what, according to your experience, does he understand as to where the watch was made?

A. In this locality he would understand it was made at Elgin, Illinois.

X Q. 383. Is not Elgin, Illinois, widely known as a place where watch-movements are manufactured?

A. Well, of course, here, in this locality, we know of Elgin, Illinois, but when we get away from here—take it over in Europe, for instance—they know the Elgin watch—it is a trade-mark.

X Q. 384. Have you been over in Europe to find out what they think?

A. I have.

X Q. 385. When were you there?

A. The last time two years ago.

X Q. 385½. What other city in this country beside Elgin, Illinois, is widely known as a point for the manufacture of watches or watch-movements?

A. I don't think of any that is very widely known. We know here, of course, of Rockford, Springfield, and used to be in Aurora, and Peoria. There is a watch factory in Waltham, Massachusetts—two, in fact, at Waltham; one at Canton, Ohio; one at Columbus, Ohio.

X Q. 386. Is not Waltham widely known as a place for the watch-manufacturing business?

A. Yes, sir.

O. C. HANSEN.

Sworn to and subscribed before me this 15th day of September, 1896.

L. A. GARDINER,
Notary Public.

[SEAL.]

Adjourned until 11 o'clock, September 16.

Eleven o'clock, September 16. Met pursuant to adjournment; present as before.

JOHN SCHAUB, being first duly sworn, deposes and testifies as follows:

Q. 387. Please state your name, age, residence and occupation.

A. Name, John Schaub; age, fifty-two; residence, Chicago; occupation, salesman with C. D. Peacock.

Q. 388. Is Mr. C. D. Peacock, of Chicago, largely engaged in dealing with watches and watch-movements?

A. Yes, sir.

Q. 389. Wholesale or retail?

A. Retail.

Q. 390. How long have you been in the watch business?

A. Thirty years.

Q. 391. Does Mr. Peacock handle a great many watch-movements and watches containing watch-movements made by the Elgin National Watch Company?

A. He does.

Q. 392. Does he handle any watch-cases made by the Illinois Watch Case Company?

A. He does not.

Q. 393. I show you now three exhibits filed in this case, consisting of watch-cases made by the Illinois Watch Case Company. One of them is called the "Elgin Tiger," one the "Elgin Commander," and one the "Elgin Giant." Please examine these three watch-cases, and note particularly the words stamped on the inside of these cases. After you have examined them, please state whether or not they are likely to be made use of for deceiving the public and whether or not the word "Elgin," which appears stamped on the inside of these cases, would be likely to deceive the ordinary purchaser and user into buying watches on the supposition that they were made by the Elgin National Watch Company, when, in fact, they were not made by that company, but by somebody else?

A. Those could be used for deception. The word "Elgin" on them would lead the purchaser to believe that it contained an Elgin movement.

Q. 394. By what name are watches and watch-movements made by the Elgin National Watch Company generally known to the trade and to the public?

A. When the question is asked, What kind of a watch it is? it is usually answered, "An Elgin watch."

Q. 395. And that means a watch made by the complainant here, does it?

A. Yes, sir.

Q. 396. Is it or is it not a fact that a great many of

the ordinary users of watches look upon the article as a "watch," and do not distinguish the case and the movement as being different things made by different manufacturers?

A. They do so look upon it.

Cross-Examination by Mr. Banning.

X Q. 397. What is a "watch"?

A. It is a machine made for measuring time.

X Q. 398. A watch-case is not a watch, is it?

A. It goes to make up part of the watch.

X Q. 399. It is simply the box in which the watch—that is, the machine which measures time—is enclosed for protection, is it not?

A. To a certain extent it is; but without the case it would not be a complete watch.

X Q. 400. If you took the case off you would still have a machine which would measure the time correctly, would you not?

A. That would depend upon the position in which you would put the movement and where you would put it.

X Q. 401. The case and the watch-movement are separate and distinct articles of manufacture, are they not?

A. Yes, sir.

X Q. 402. How widely or extensively would you say the City of Elgin, Illinois, was known as a point for the manufacture of watches?

A. The Elgin watch is known all over the United States, and, I guess, the greater part of Europe.

X Q. 403. Is not the City of Elgin, Illinois, widely known as a point where watches are manufactured?

A. The Elgin watch, when sold or when explained as to the movement, the question is never asked, In what

town it is manufactured? The words stating "Elgin watch" are sufficient.

X Q. 404. When people hear the name "Elgin watch" they know it is manufactured at Elgin, Illinois, do they not?

A. Not always.

X Q. 405. A great many people know that, do they not?

A. They do in this vicinity.

X Q. 406. Is not the City of Elgin, Illinois, more celebrated from the fact that the Elgin National Watch Company has its factory there than from any other circumstance?

A. It would where it was explained that the factory was located there.

X Q. 407. What other product manufactured at Elgin, Illinois, gives it the reputation that it has as the point where the complainant's watches are manufactured?

A. I really don't know how to answer that question. I don't know exactly what you refer to. Do you refer to other industries that are there?

X Q. 408. Elgin is celebrated also as a great butter market, is it not?

A. I've heard so.

X Q. 409. You have said that you considered that the word stamped on these exhibit cases was liable to deceive purchasers. Did you personally ever know of a person being so deceived?

A. Not with any of those cases, because we do not handle them; but any one buying a case of that kind with an inferior or different make of watch from an Elgin would naturally be deceived by seeing the word "Elgin" on the case, as it is very seldom stated in what town or place the Elgin watch comes from.

X Q. 410. Then you, yourself, do not know of any case where a purchaser has been deceived by such cases as these exhibits?

A. I do not.

X Q. 411. I see in each of these cases a printed guaranty certificate on which the word "Elgin" appears twice—once as "Elgin Giant," for example, and once as "Elgin, Ill." Do you consider that the use of the word "Elgin" as used in this printed guaranty certificate is calculated to deceive any one?

A. I do, for when they see the word "Elgin" nine-tenths of them would not read any farther.

X Q. 412. The Illinois Watch Case Company has its factory at Elgin, Illinois, has it not?

A. I understand so.

X Q. 413. If it did not use the words "Elgin, Ill." as shown in the printed guaranty certificate, can you tell me how it could inform the public where it made its watch-cases?

A. I don't know.

X Q. 414. Do you know of any way that the Illinois Watch Case Company could inform the public where it manufactured its watch-cases, without using the word "Elgin" in some way?

A. Watch-cases that are made in solid gold usually have the place stamped on the inside of the cover where they are made.

X Q. 415. I again ask you, as a man engaged in the business, if you know of any way that the Illinois Watch Case Company can inform the public where it makes its watch-cases without using the word "Elgin" in some way?

A. If they are located at Elgin, I suppose it would be proper to put it Elgin, Ill.

X Q. 416. Assume that the Illinois Watch Case Company has its factory at Elgin, Illinois, and that it makes its watch-cases at Elgin, Illinois. Now, do you know of any way that it can inform the public where its watch-cases are made without using the word "Elgin" in some way?

A. I don't know.

Re-Direct Examination by Complainant's Counsel.

R-D. Q. 417. Would not its bill-heads, invoices and correspondence inform its customers where the cases were made, without stamping in the case a word liable to deceive the ordinary customer into buying other people's make of watches?

A. They would.

R-D. Q. 418. What advantage is it to the ordinary user of watches around over the country to know that the case of his watch is made in a certain town instead of being made somewhere else?

A. I don't know that it would make any difference.

R-D. Q. 419. In one of these exhibit watch-cases I note that the words "Elgin 14 K" are stamped; what does 14 K mean?

A. It usually implies that the case is solid 14 karat gold.

Re-Cross Examination by Mr. Banning.

R-X Q. 420. The printed guaranty certificates in these watch-case exhibits are intended to go with the cases so that the purchaser will have a guaranty certificate, are they not?

A. Yes, sir.

R-X Q. 421. The guaranty appears to be for twenty years in two of the exhibits; now is it not important to

the purchaser that the guaranty certificate should inform him where the watch-case was made, so that he can know where to apply in case he wants to call for the fulfillment of the guaranty?

A. Yes; but very frequently in a good many cases it is lost or removed.

R-X Q. 422. You have volunteered, in your last answer, a statement of fact, namely, that the garanty certificate, in a great many cases, is lost or removed. How do you know what takes place when purchasers have bought watch-cases with guaranty certificates in them like these?

A. I know they have been taken out right before my eyes in selling the case.

Re-Direct Examination.

R-D. Q. 423. What is to prevent the dishonest dealer or auctioneer from removing the guaranty certificate and then selling the watch as an Elgin watch, relying upon the word "Elgin" stamped in the case to aid him in deceiving the customer?

A. There is nothing to prevent him from taking the guaranty out.

JOHN SCHAUB.

Sworn to and subscribed to before me this 16th day of September, 1896.

L. A. GARDINER,
Notary Public.

[SEAL.]

Adjourned by consent until September 28, 1896, 10 o'clock A. M.

Ten o'clock A. M., September 28, 1896. (Monday.) Met pursuant to adjournment. Present: Mr. Thomas Banning for defendants, Mr. L. Hill and Mr. Geo. S. Prindle for complainants.

Adjourned until 2 o'clock P. M.

Two o'clock P. M. Met pursuant to adjournment. Present as before.

JOHN M. CUTTER recalled.

Q. 424. Are you the same John M. Cutter who was previously a witness in this suit?

A. I am.

Q. 425. Have you examined the books of the Elgin National Watch Company to ascertain, approximately, what amount of money has been spent by that company in Elgin, Illinois, during the last thirty years for wages and labor?

A. Yes, sir, I have. I find that we have expended over $25,000,000 for labor alone since the beginning of the company's operations in Elgin.

Q. 426. In good years during the last decade, how much does that item run up to in a year?

A. From $1,500,000 to $1,750,000.

X Q. 427. About what has it amounted to per year during the last two years?

A. From $750,000 to $1,000,000.

JNO. M. CUTTER.

Sworn to and subscribed before me this 28th day of September, 1896.

L. A. GARDINER,
Notary Public.

HENRY M. CARLE, being duly sworn, deposes and testifies as follows:

Q. 428. Please state your name, age, residence and occupation.

A. Name, Henry M. Carle; age, forty-five years; residence, Chicago, Ill.; occupation, agent for the Keystone Watch Case Company, of Philadelphia, Pa.

Q. 429. How long have you been agent for that company?

A. About fifteen years.

Q. 430. What is the extent of that company's business?

A. In normal times we did business of about $2,500,000 per annum.

Q. 431. Have you any idea of how many watch-cases that company have put on the market?

A. I couldn't say as to that. Our numbers stamped on the cases run now from 3,000,000 to 4,000,000.

Q. 432. Those numbers indicate the number made by that company?

A. They do, with the exception of a few that may be wanted in a series; a series is 100,000. When that is completed they start a new hundred thousand.

Q. 433. Where are your company's shops?

A. Philadelphia, Pa.

Q. 434. Has your company been, or is it now, in the habit of stamping or marking upon watch-cases of its manufacture the name "Philadelphia" or any other name to indicate where its shops are located?

A. No, sir.

Q. 435. Is the word "Philadelphia" stamped on your cases at all?

A. No, sir.

Q. 436. Are you extensively acquainted with the watch-cases manufactured in this country by other manufacturers than your company?

A. Yes, sir.

Q. 437. Outside of the Illinois Watch Case Company, what is the general custom of watch-case manufacturers in this country with respect to stamping or marking upon their watch-cases the name of the place where said cases are made?

A. There are none except the Dueber Watch Case Company who stamp the name on the case.

Q. 438. How long has the Dueber Watch Case Company been stamping its place of manufacture upon the case?

A. I imagine it is a year; I can't state positively as to the time, but I think it is a year.

Q. 439. Were you formerly employed with the Dueber Company?

A. Yes, sir.

Cross-examination waived.

HENRY M. CARLE.

Sworn to and subscribed before me this 28th day of September, 1896.

L. A. GARDINER.

[SEAL.] Notary Public.

MR. HENRY M. CARLE recalled.

Q. 440. Does your company sell anything but watch-cases?

A. Not for use in this country.

Q. 441. Have you ever known of any instance where a person who had bought a watch cased in one of your cases imagined that he was in possession of a watch of

which both the case and movement were made by your company?

A. Yes, sir.

Q. 442. Give an instance.

A. We received a letter on the 18th of September, 1896, from a man in Iowa. I have the letter here, and will read it to the Examiner. It reads as follows:

By Mr. Banning: Defendant's counsel objects to the reading of the letter, or to any use of it in evidence, unless it be from one of the defendants, or unless it emanated from them in the same way.

Witness continues:

"Sept. 16, 1896, Watson, Missouri.

"*Dear Beloved:* So kind as to send me a main spring. I have this time-piece now three years.

"Yours truly,

"Chris Tiess.

"Over."

Then on the other side he says:

"McBroom and Crane was the retail dealer at Barnes City, Iowa. Please return the tag again. Now if any extra charges state."

Q. 443. What did he send you with this letter?

A. A broken main-spring and a guaranty of the case.

Q. 444. One of your printed guaranties?

A. Yes, sir; guaranty of the 14-karat "Boss" filled case.

Q. 445. What reply did you make to him?

A. I wrote him in reply, under date of September 18, 1896, that the guaranty of our cases did not cover the guaranty of the movement—that he would have to send his watch to a retail jeweler or to some repairer or watch material house in the United States, and that he would have to specify and give the name of the movement.

Q. 446. Does your company make watch-movements?

A. No, sir.

HENRY M. CARLE.

Sworn to and subscribed before me this 28th day of September, 1896.

[SEAL.] L. A. GARDINER,
Notary Public.

GEORGE WEIDIG, being duly sworn, deposes and testifies as follows:

Q. 447. Please state your name, age, residence and occupation.

A. Name, George Weidig; age, thirty-four; residence, Chicago; occupation, agent for Joseph Fahys & Co., New York City, manufacturers of watch-cases.

Q. 448. How long have you been agent for Joseph Fahys & Co.?

A. About fifteen years.

Q. 449. How large a business do they do in the manufacture of watch-cases?

A. Their capacity is about 2,000 cases a day.

Q. 450. About how many cases have they made altogether?

A. In the neighborhood of five million.

Q. 451. Has it been or is it now the custom of Joseph Fahys & Co. to stamp or mark anywhere on their watch-cases the name of the place where their shops were located?

A. It has not, and it is not at the present time.

Q. 452. Are you acquainted with the general practice of watch-case makers in this country in that respect?

A. I am.

Q. 453. Outside of the Illinois Watch Case Com-

pany, what is the general practice in that respect of other watch-case makers?

A. There is no practice outside of the Illinois Watch Case Company, and one other concern—the Dueber Watch Case Company.

Q. 454. Do you mean that no other companies in this country, except the two you mention, stamp on their cases the name of the place where their shops are located?

A. That is what I mean.

Q. 455. How long has the Dueber Watch Case Company been in the habit of stamping on its cases the name of the place where its shops are located?

A. To my knowledge, about one year.

Q. 456. Where are its shops located?

A. Canton, Ohio.

Q. 457. Is it connected there with a movement manufacturing concern also?

A. It is—yes, sir.

Cross-examination waived.

GEORGE WEIDIG.

Sworn to and subscribed before me this 28th day of September, 1896.

[SEAL.]

L. A. GARDINER,
Notary Public.

SAMUEL C. PAYSON, being duly sworn, deposes and testifies as follows:

Q. 458. Please state your name, age, residence and occupation.

A. Samuel C. Payson; age, thirty-one; residence, Chicago; occupation, watch-case manufacturer.

Q. 459. What concern are you connected with?

A. Courvoisier-Wilcox Manufacturing Company.

Q. 460. Are they in the business of manufacturing watch-cases?

A. Yes, sir.

Q. 461. What is the custom of that concern with respect to stamping or marking upon their watch-cases the name of the place where their shops are located?

A. They have never done it.

Q. 462. What do they mark on their cases?

A. On their gold cases they have a stamp—"Warranted 14 Karat, U. S. A.;" and underneath, "C. W. Mfg. Co."

Q. 463. That is all they mark on their cases?

A. That is marked on the gold cases.

Q. 464. What do they mark on their filled cases?

A. They mark simply the grade, the number, and the words "Essex Watch Case Co."—that was the name of the old company that our company bought out.

Q. 465. Are you acquainted with the general custom among watch-case makers with respect to marking or not marking on their watch-cases the name of the place where said cases were made?

A. I am acquainted with the general custom—I don't think it is generally done.

Q. 466. Do you recall any case-maker, except the Illinois Watch Case Company, that marks on his cases the name of the place where the cases are made?

A. I have been told that within a short time that John C. Dueber does that; I didn't know that until a short time ago.

Q. 467. You don't know of anybody else who does that, do you?

A. No; I do not.

Cross-examination waived.

SAMUEL C. PAYSON.

Sworn to and subscribed before me this 28th day of September, 1896.

L. A. GARDINER,
Notary Public.

[SEAL.]

Complainant's counsel offer in evidence a certified copy of the trade-mark registered to the "Elgin National Watch Company," April 11, 1876, No. 2,574, to be marked "Complainant's Exhibit Elgin Original Registration."

Also a certified copy of the trade-mark registered to the "Elgin National Watch Company," November 14, 1882, No. 9,810, the same to be marked "Complainant's Exhibit Second Elgin Registration."

Mr. GEORGE S. PRINDLE recalled.

Q. 468. Are you the same Geo. S. Prindle who has testified before in this case?

A. I am.

Q. 469. Three certificates of registration of the word "Elgin" as the trade-mark of the Elgin National Watch Company have been offered in evidence by certified copies from the Patent Office, and they bear evidence that you or your firm acted as solicitors in procuring them. Will you please state to the court the history of these different registrations, referring particularly to the reasons why different registrations of the same trade-mark were effected at different times, and also to the fact that the class of goods referred to therein is sometimes mentioned as "watches" and sometimes as "watch-movements."

A. The registration of April 11th, 1876, was effected

in due course after the company had adopted the word "Elgin" as a trade-mark. The act of Congress under which such registration was effected was declared unconstitutional by the Supreme Court of the United States, and upon November 14, 1882, the word "Elgin" was re-registered under a new act of Congress which was then in force. The first registration named covered in general terms "watches," while the second registration—probably through mistake—was made to apply to "watch-movements." In 1892, in order that no possible misunderstanding might occur with reference to the claims of the Elgin National Watch Company, the word Elgin was again registered as applying to "watches."

GEORGE S. PRINDLE.

Sworn to and subscribed before me this 28th day of September, 1896.

L. A. GARDINER,
Notary Public.

[SEAL.]

Testimony-in-chief for complainants closed.

Notary's Certificate.

STATE OF ILLINOIS, } ss.
COUNTY OF COOK. }

I, L. A. Gardiner, a Notary Public within and for the County of Cook and State of Illinois, do hereby certify that the foregoing depositions of George Hunter, John M. Cutter, Julius Schnering, Samuel W. Dripps, James L. Rowe, Thomas W. Duncan, John P. Owen, Leo Hettich, Fred B. Thearle, Jr., Louis H. Schafer, George S. Prindle, George E. Hunter, O. C. Hansen, John Schaub, Henry M. Carle, George Weidig and Samuel C. Payson were taken on behalf of the complainant, the Elgin National Watch Company, by consent, before me, at No. 1133 Monadnock Building, in the City of Chicago, in said county, on the 9th, 10th, 11th, 12th, 14th, 15th, 16th and 28th days of September, 1896; that each of said witnesses was by me duly sworn before the commencement of his testimony; that the testimony of said witnesses was written out by myself on the typewriter; that the opposing parties, the Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham, were present by their counsel, Mr. Ephraim Banning and Mr. Thomas Banning, during the taking of said testimony; that said testimony was taken at No. 1133 Monadnock Building, Chicago, Illinois, and was commenced at 10 o'clock A. M. on the 9th day of September, 1896, was continued pursuant to adjournment, as above recited, and was concluded on the 28th day of said month; that I not connected by blood or marriage with either of said parties nor interested directly or indirectly in the matter in controversy.

In witness whereof, I have hereunto set my hand and affixed my seal of office, at Chicago, in Cook County, this 28th day of September, 1896.

L. A. GARDINER,
Notary Public.

[SEAL.]

CIRCUIT COURT OF THE UNITED STATES, NORTHERN DISTRICT OF ILLINOIS.

Elgin National Watch Company,
Complainant,
vs.
Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham,
Defendants.
} In Equity.

Now come the defendants, by their solicitors, Banning & Banning, and move for an order striking out or suppressing the following portions of the testimony offered in behalf of the complainant, viz.:

The testimony of advertisement by Bloomingdale Brothers, of New York, in the Evening Sun, beginning with the words "I refer to such a sale" in the third line of page 21 and ending with the end of the answer to question 101 on page 22.

The testimony in reference to a letter from Donald Manson & Co., and advertisements said to be inclosed with the letter, beginning with the words "I here produce the letter" near the bottom of page 23 and ending with the end of the answer near the bottom of page 32.

The offering in evidence of the Manson letter, advertisements, etc., beginning near the bottom of page 33 and ending with the answer to question 109 on page 34.

Question and answer 111 on page 34 and ending on page 35.

The testimony in reference to the Elgin Cycle Company, beginning with question 116 on page 36 and ending with the answer to question 119 on page 42.

The testimony in reference to the Elgin Cycle Company, beginning with question 121 on page 43 and ending with the answer on page 45.

The deposition of George S. Prindle in reference to the bicycle advertisement in the Washington Evening Star, beginning on page 99 and ending on page 102.

BANNING & BANNING,
Solicitors for Defendants.

CIRCUIT COURT OF THE UNITED STATES, NORTHERN DISTRICT OF ILLINOIS.

Elgin National Watch Company
vs.
Illinois Watch Case Company *et al.* } In Equity.

Testimony taken on the part of the defendants at the office of Messrs. Banning & Banning, 204 Dearborn street, Chicago, Illinois, this 13th day of April, 1897, before Annie C. Courtenay, a Notary Public in and for Cook County, Illinois, by agreement of parties.

Present: Lysander Hill, Esq., and George S. Prindle on behalf of complainant, and Thomas A. Banning, Esq., on behalf of defendants.

THOMAS F. SHERIDAN, a witness produced, sworn and examined on the part of defendants, in answer to questions by Mr. Banning, deposes and testifies as follows:

Q. 1. State your name, age, residence and occupation.

A. Thomas F. Sheridan; thirty-eight years; Chicago, Illinois; mechanical expert and solicitor of patents.

Q. 2. State whether you know anything about the business of manufacturing and selling watches; and, if so, what experience you have had in that line.

A. In 1882 I entered the employ of the Waterbury Watch Company, and stayed in the business continuously

until the spring of 1892, having been employed by the Seth Thomas Clock Company, of Thomaston, Connecticut, and the Illinois Watch Company, of Springfield, Illinois. I was the mechanical superintendent of the last-named company for a period of five years, having sole charge of the designing and manufacturing of their models, watches and special machinery for the manufacture of watches. During this time I was in constant touch with the agents who sold the movements, and was conversant with the methods of selling and introducing the watch-movements and cases.

Q. 3. State what you know about the City of Elgin, Illinois, as a place at which watches are manufactured, how long you have known of such place, and how the name "Elgin" is understood in the watch trade, if you know.

Objected to as immaterial and incompetent.

A. Elgin is a town where watches are manufactured in large quantities. I have known of it personally as a place where watch-movements are manufactured for a period of sixteen years, and I have always understood the word "Elgin" to have been used geographically as being the place where certain watch-movements were manufactured.

Q. 4. What is the difference between watch-movements and watch-cases?

A. A watch-movement is known as a time-keeping machine or instrument. A watch-case is known as a closure or box to carry the watch-movement in to protect it from injury and from moisture and dust. The watch-movements are manufactured independently of the cases, and are manufactured by different companies. The manufacture of movements requires machinery radically different from the manufacture of watch-cases. They also

require skilled help of different natures, the help trained in a watch-movement factory not being of any use in a case factory—excepting the tool-makers and machinists. The watch-movements are sold to the trade independently, and without any relation whatever to the cases. Watch-movements are interchangeable—that is, a watch-movement of a certain size will fit a case manufactured by any of the several watch-case companies. The watch-case companies sell their product, generally speaking, independent of movements, and they make their cases so that the movements of any of the several movement companies may be fitted therein. The jobbers who sell to retailers buy their movements separately, without any regard to any special kind of case; and they buy their cases separately, without any regard to any special make of movements. The retailers buy from the jobbers, generally speaking, in the same manner. It has been my experience, therefore, that the manufacture and placing of the goods of watch-movements and cases are independent of each other—the purchaser generally choosing his particular style of movement and a case of suitable design in which to carry the same.

Q. 5. What, if anything, did the defendants ever do or offer to do when claim was made against them by the complainant for infringement by use of the word "Elgin"?

Objected to as immaterial and incompetent.

A. On January 2, 1896, acting as attorney for the defendants, I had an interview with Mr. Prindle, attorney, and Mr. Hill, counsel for the complainant, with respect to the claims against the defendants; and they informed me that the defendants must desist from using the word "Elgin" in any form whatsoever on their watch-cases, guarantees, circulars, advertisements, bill-heads

and letter-heads, but that they were willing to let the defendants use the words "Elgin, Illinois," as a date for their letter-heads. I then had an interview with the officers of the defendant corporation, and on the 3rd of January wrote complainant's counsel as follows:

"CHICAGO, January 3, 1896.

"GEORGE S. PRINDLE, ESQ., and
"HON. L. W. HILL,
"Chicago.

"*Gentlemen:* In compliance with my promise to you yesterday, I have had an interview with the Illinois Watch Case Company, of Elgin, Illinois, and delivered to them the ultimatum of your clients, the Elgin National Watch Company, of Chicago, to the effect that they—the I. W. C. Co.—shall at once discontinue the use on goods manufactured by them of the word 'Elgin,' or 'Elgin, Illinois' in any form, or in combination with other words as indicating the place where such goods are made. Further, that they must discontinue at once the use of their trade-marks, 'Elgin Giant,' 'Elgin Tiger' and 'Elgin Commander' on their goods, circulars, guarantees, advertisements of all kinds, bill-heads and letter-heads; but that you are willing to let them date their letters, bill-heads, etc., as of Elgin, and for that purpose only. I further informed them that, unless they decided to discontinue the use of the word 'Elgin' as above indicated, you will immediately begin suit against them and further harass them by interfering with their customers and trade.

"After such consultation, the I. W. C. Co. decided that they could not accede to your wishes, nor obey your ultimatum. They take this position on advice of counsel—that you have no exclusive property rights in the word 'Elgin' or 'Elgin, Illinois,' alone, especially as against parties manufacturing at Elgin; nor in the combined word symbols, 'Elgin Tiger,' 'Elgin Giant' and 'Elgin Commander' as used by them.

"I am further instructed to say to you, so that you may warn your clients, that if they attempt in any way whatever to harass or interfere with the trade of customers of the Illinois Watch Case Company, they will be

held liable and prompt measures invoked to obtain redress.

"I am further instructed to say to you that for the *sake of peace*—but not recognizing in any way your right to the word, or prejudicing the interests of the I. W. C. Co.—that they, the I. W. C. Co., are willing to forego the use of the word 'Elgin' alone, as they now use it on the inner side of the back caps of their cases.

"If I have not stated the case correctly—as outlined above to the I. W. C. Co.—please inform me of any errors and I will immediately correct them and notify the officers of said company at once.

"Yours very truly,

"THOMAS F. SHERIDAN."

Q. 6. You may state, if you know, how parties or companies manufacturing watch-movements usually mark their goods, and also how parties or companies manufacturing watch-cases usually mark their goods.

Objected to as incompetent, it not being shown that companies manufacturing watch-movements, or companies manufacturing watch-cases, have, in common with each other, any usual or common way of marking their goods, or that this witness knows anything more about the subject than is known by any ordinary person in the community.

A. I have seen the product of every watch-movement company in this country, and am familiar with nearly every grade of watch-movement manufactured in this country between the years of 1882 and 1892, as I made it my business to collect cuts and descriptions of the same and to obtain, wherever possible, movements for the purposes of inspection; and in every instance that I now recall the movements had the name of the company manufacturing the same engraved or stamped on the back, on what is known as the top plate, and also had the place at which the manufactory was located stamped or

engraved on the top plate. The dials usually bore the name of the company, in either its full or abbreviated form. The Dueber Watch Case Company marked the inside of their cases with the name of the company, and in some of the cases with the place of manufacture. All of the watch-cases that I have ever seen—and I have seen large quantities of what is known as filled cases—contained guarantees inside of their back case, on which the name of the company was printed or engraved and also the place of manufacture, so that the purchaser could tell whose case he was purchasing, and to whom he could look for the purpose of good faith as a guarantor.

Q. 7. You have, in answer to Q. 5, stated what the defendants were willing to do in order to avoid the harassment of a suit. What response did you get, if any, to their proposition in this regard?

A. I never received any response.

Q. 8. Name, if you can, some other towns or cities which have become identified with the manufacture of watch-movements or cases.

A. Waltham, Mass.; Springfield, Illinois; Canton, Ohio; Brooklyn, New York; and Philadelphia, Pennsylvania.

Q. 9. How have the names of those towns and cities become associated with the companies manufacturing there?

Objected to as immaterial and irrelevant.

A. Geographically—as the places at which the companies were located.

Q. 10. In the testimony in chief, counsel for complainant offered in evidence certified copies of the registry of the defendants' trade-marks "Elgin Giant," "Elgin Tiger" and "Elgin Commander." State whether these

names have been registered as trade-marks, and, if so, by whom?

Objected to as incompetent and secondary.

A. The words "Elgin Tiger" and "Elgin Giant" are registered in the Patent Office by me, acting as attorney for M. C. Eppenstein & Co., of Chicago, Illinois, and in one instance for the Illinois Watch Case Company, of Elgin, Illinois.

Q. 11. You may state whether the certificate for the registry of the words "Elgin Commander" has yet been issued.

A. It has not.

Q. 12. Do you know how the complainant, or its counsel, knew that an application was pending for the registration of the words "Elgin Commander"?

A. I do not.

Q. 13. Is that application still pending in the Office?

A. It is.

Cross-Examination by Mr. Hill.

X Q. 14. Are you the Mr. Sheridan whose name appears in the firm name of Banning, Banning & Sheridan, attorneys at law and solicitors of patents, 204 Dearborn street, Chicago?

A. I am.

X Q. 15. How long have you been connected with that firm as a copartner?

A. I have been connected with them in the business of soliciting patents only since about January 1, 1893.

X Q. 16. Were you in their employ before that time?

A. I was not. I had desk room in their office from about the middle of March, 1892, until I took an interest in their soliciting business, about January 1, 1893.

X Q. 17. In what capacity were you employed by the

Waterbury Watch Company, and how long were you in their employ?

A. I was draftsman and designer, assisting Mr. Buck, the model-maker, also Mr. Hart, their superintendent. I was there about two years, or until about June 1, 1883.

X Q. 18. What did you do next after leaving their employ?

A. I left the Waterbury Company because I had been engaged by the Seth Thomas Clock Company, of Thomaston, Connecticut, whose employ I entered immediately as draftsman, designer and assistant model-maker.

X Q. 19. How long did you remain in the employ of the Seth Thomas Clock Company?

A. I remained in the employ of the Seth Thomas Clock Company until I was engaged by the Illinois Watch Company, of Springfield, Illinois, on or about the middle of February, 1887.

X Q. 20. And then you were in the employ of the Illinois Watch Company until the spring of 1892, were you?

A. I was.

X Q. 21. And after that you went immediately into Mr. Banning's office, did you?

A. I did.

X Q. 22. In all your employment by the Waterbury Watch Company, the Seth Thomas Clock Company and the Illinois Watch Company, you were employed as a draftsman and mechanic, and not as a salesman, were you?

A. I was.

X Q. 23. Have you ever been personally connected with the business of selling or dealing in watch-movements or watch-cases?

A. Only so far as instructing the selling agents of the Illinois Watch Company was concerned; but I have been

out among the jobbers with our agents—in a missionary capacity—have met large numbers of jobbers and retailers at the factory, and consulted with them on all topics relating to trade, both as to the manner of selling goods and placing them, as well as the peculiar grades which it was desirable to manufacture. Personally, however, I never sold a bill of goods; but I was well acquainted with the methods of procedure in selling goods, as any man who is mechanical superintendent of a factory must necessarily be.

All that part of the above answer after the word "concerned" is objected to by complainant's counsel as not responsive but volunteered.

X Q. 24. Have you ever had anything to do with the manufacture of watch-cases?

A. Only so far as making standards of sizes is concerned. Each manufacturer of watch-movements makes what is known as a "case block," which he sends to each manufacturer of watch-cases, so that they may see that their watch-cases are made of standard sizes to fit standard movements. I have further been acquainted with the manufacture of watch-cases, in that I have consulted with superintendents or manufacturers of the same regarding the particular sizes of movements. I have also been consulted in a mechanical capacity by manufacturers of cases as to best methods to pursue in their manufacture and sizes thereof; this from a mechanical standpoint, and as a mechanical engineer only.

X Q. 25. Have you ever been engaged personally in the business of selling watch-cases?

A. I have not; but I have had watch-case manufacturers approach me for the purpose of trying to sell cases to me for the company I was employed with.

X Q. 26. Have you ever lived or been employed in the City of Elgin, Illinois?

A. I have not, but I have been there and visited there a number of times.

X Q. 27. When were you there for the first time?

A. In 1887 or 1888—I am not certain which year.

X Q. 28. How many times have you been there?

A. Probably twelve or fifteen times.

X Q. 29. How much time have you spent there in all?

A. I should say in the neighborhood of three weeks would cover it all.

X Q. 30. How long were you there at the one time?

A. Three days.

X Q. 31. You state that Elgin is a town where watches are manufactured in large quantities; by whom are they so manufactured?

A. By the Elgin National Watch Company, who manufactures the movements, and by the Illinois Watch Case Company, who manufactures the cases.

X Q. 32. How long has the Illinois Watch Case Company been manufacturing watch-cases at Elgin, Illinois?

A. I think they began manufacturing there about May of 1890.

X Q. 33. Do you know whether they had been manufacturing watch-cases somewhere else before they went to Elgin?

A. I think not. I think their predecessors, M. C. Eppenstein & Co., manufactured watches at Chicago; but I don't think the Illinois Watch Case Company was incorporated until they went to Elgin, or just immediately preceding it, though of this I am not certain.

X Q. 34. Does M. C. Eppenstein & Co. manufacture watch-cases at the present time?

A. I don't know.

X Q. 35. Is that firm still engaged in business as dealers in watch-cases?

A. They are engaged in business as jobbers—I believe as jobbers and dealers—selling all kinds of watch-cases and movements.

X Q. 36. Do you know whether or not they handle the whole product of the Illinois Watch Case Company?

A. I don't know.

X Q. 37. Do you know whether or not they went out of the business of manufacturing watch-cases at the time when the Illinois Watch Case Company entered upon that business?

A. I do not, or at least I don't remember if I ever did.

X Q. 38. Do you know their business relations with the Illinois Watch Case Company?

A. I do not.

X Q. 39. Do you know whether Mr. Max C. Eppenstein is an officer or director of the Illinois Watch Case Company?

A. I could not tell, because I don't know definitely. At one time I believe he was, but whether he is now or not I don't know.

X Q. 40. By what name are the watch-movements made by the Elgin National Watch Company generally known throughout the world?

The question is objected to, because it is not shown that the witness knows by what name they are known throughout the world.

Complainant's counsel calls the attention of the court to the third interrogatory propounded to this witness by defendants' counsel.

A. I don't know. I only know that Elgin is a place for the manufacture of watches, and as an individual I

have called them Elgin movements, as I have called the movements of the Illinois concern at Springfield Springfield movements.

X Q. 41. Don't you know that people generally call the watches made by the Elgin National Watch Company "Elgin watches"?

A. No; I have heard them called "Elgin movements," but not "Elgin watches." The trade speaks of them as "Elgin movements," and in ordering them they order them as they order movements of other companies under the head of "movements." Of people generally I have no knowledge as to what they call them.

X Q. 42. Then I suppose you never heard of such a thing as an Elgin watch, did you?

A. I may have heard of it, but I never saw one.

X Q. 43. You say "you may have heard of it;" did you ever hear of it?

A. I don't recollect now.

X Q. 44. Then you mean to tell the court that you don't recollect whether you ever heard of such a thing as an Elgin watch, do you?

A. I couldn't specify an instance, and I am testifying to the best of my knowledge and belief. I have heard them spoken of largely as Elgin movements; and, being in the business of manufacturing movements, would naturally classify them as such, and not as a complete watch. If any one ever spoke to me about them as "Elgin watches," it probably made no impression on me, as I was probably under the impression that they were miscalling the same, and therefore paid no attention to it. There is no doubt, however, but what I have heard the term used, but I couldn't specify either the place or time.

X Q. 45. And you can't say whether or not watches consisting of a watch-case enclosing a movement made by

the Elgin National Watch Company are or are not generally known to the public by name of "Elgin watches," can you?

A. I cannot. I know that when such a combination is shown and as they have been shown me in watches, that they were specified to me as a watch containing an Elgin movement; and in buying a watch for my wife I specified that it must be a watch containing an Elgin 0-size movement; and jobbers in ordering a watch will order the Illinois movements under the head of "movements."

X Q. 46. I am not asking you about yourself, or about the jobbers or retailers in the watch trade, but about the great army of buyers and users, and other people constituting what is known as the public; and I understand that you can't give me any information as to what the public calls, or have called for the last twenty years, watches containing movements made by the Elgin National Watch Company; am I correct in this?

A. You are.

Re-Direct Examination by Mr. Banning.

R-D. Q. 47. What is the firm of Banning & Banning & Sheridan?

A. It is a copartnership for the prosecution of applications for letters patent of the United States and foreign countries.

R-D. Q. 48. What is the firm of Banning & Banning?

A. It is a firm for the prosecution and defense of actions founded on patents, or, in other words, patent causes.

R-D. Q. 49. Are you a member of the legal firm of Banning & Banning?

A. I am not, and have no interest in it.

THOMAS F. SHERIDAN.

Adjourned till Wednesday, April 14, 1897, at 10 o'clock A. M.

Chicago, April 14, 1897. Parties met pursuant to adjournment. Present as before.

THOMAS W. DUNCAN, a witness produced, sworn and examined on the part of defendants, in answer to questions by Mr. Banning, deposes and testifies as follows:

Q. 1. State your name, age, residence and occupation.

A. Thomas W. Duncan; thirty-eight years; Elgin, Illinois. I am president of the Illinois Watch Case Company.

Q. 2. Are you one of the defendants in this case?

A. Yes, sir.

Q. 3. Where is the Illinois Watch Case Company located?

A. At Elgin, Illinois.

Q. 4. Is its factory and place of business there?

A. It is.

Q. 5. What does the Illinois Watch Case Company manufacture and sell?

A. Watch-cases.

Q. 6. Has it ever manufactured or sold watch-movements?

A. No, sir.

Q. 7. Do you know what the complainant company manufactures and sells?

A. Yes, sir; watch-movements.

Q. 8. Does it manufacture or sell watch-cases?

A. No, sir.

Q. 9. When did your company—by which I shall always mean the Illinois Watch Case Company—locate at the City of Elgin, Illinois?

A. May, 1890.

Q. 10. Where had been its place of business prior to May, 1890?

A. Chicago, Illinois.

Q. 11. Did it own its factory at Chicago?

A. It did not.

Q. 12. What inducement, if any, was offered your company to locate at the City of Elgin?

A. The citizens of Elgin supplied us with the building and grounds suitable to our requirements.

Q. 13. Do you mean that such building and grounds were donated to your company if it would locate at Elgin?

A. Yes, sir.

Q. 14. About how many employés does your company have in manufacturing watch-cases?

A. About 250.

Q. 15. The complainant has taken some testimony in reference to a concern called the Elgin Cycle Company; is that concern a distinct and separate company from the Illinois Watch Case Company?

A. It is.

Q. 16. Does the Illinois Watch Case Company manufacture bicycles, or has it ever?

A. No, sir.

Q. 17. What does it manufacture?

A. Watch-cases.

Q. 18. What does the Elgin Cycle Company manufacture?

A. Bicycles.

Q. 19. Has it ever manufactured watch-cases?

A. No, sir.

Q. 20. How does the Illinois Watch Case Company dispose of the watch-cases manufactured by it?

A. To the wholesale jewelers.

Q. 21. Does it sell them outright?

A. Yes, sir.

Q. 22. After it has sold its watch-cases to the wholesale jewelers, what further control does it have over them, if any?

A. No control whatever.

Q. 23. The complainant, in its testimony in chief, has offered in evidence several advertisements appearing in the Washington Star and other papers; how far, if at all, were such advertisements made with the knowledge or authority of the Illinois Watch Case Company or the other defendants?

A. Entirely without their knowledge or authority.

Q. 24. Have the defendants ever sold watch-movements arranged in the cases manufactured by them?

A. No; we sell our cases separately.

Q. 25. Do you know whether the complainant has ever manufactured watch-movements which did not contain the name "Elgin" on them, or in connection with them?

A. Yes, sir; it has.

Q. 26. What words did such movements have on them, if you know?

A. Atlas Watch Company, Chicago.

Q. 27. Have the defendants ever manufactured watch-cases and shipped them abroad—that is, to other countries—or sold them to Indian tribes, on which or in connection with which in any way the word "Elgin" was used?

A. No, sir.

Q. 28. Have the defendants ever used the word "Elgin" alone, disconnected from other words, on or in connection with watch-cases manufactured or sold by them?

A. No, sir.

Q. 29. You say that your company has sold the watch-cases manufactured by it to wholesale jewelers. Where have such jewelers been located?

A. Chicago, St. Louis, Cincinnati, Pittsburg, Philadelphia, New York, Providence, Boston, Albany, Syracuse, Rochester, Buffalo, Cleveland, Toledo, Detroit, Minneapolis, St. Paul, Omaha, Lincoln, St. Joseph, Denver, San Francisco and New Orleans. That is all I think of just now.

Q. 30. Were the purchasers of your watch-cases all located in this country—the United States?

A. Yes, sir.

Q. 31. State, if you know, how the complainant puts up its watch-movements.

A. In tin boxes.

Q. 32. A box for each movement?

A. Yes, sir.

Q. 33. Has the complainant, according to your knowledge, ever sold watch-movements and watch-cases combined or arranged together, ready for use?

A. Not to my knowledge.

Q. 34. Look at these three exhibits offered in evidence by the complainant, marked "Elgin Tiger," "Elgin Giant" and "Elgin Commander," and state what the paper arranged in the back of the case is.

A. It is a guarantee for the protection of the purchaser.

Q. 35. Is one of these guarantee certificates arranged in the back of each of the cases sold by your company?

A. On all cases which are guaranteed.

Q. 36. I notice the name of your company on each of these guarantee certificates. Has such name always been used in connection with its guarantee certificates?

A. Yes, sir.

Q. 37. If the words "Elgin, Illinois," which I find on each of these guarantee certificates were omitted, how would a purchaser of a watch containing one of your watch-cases know where to find your company to call upon you for a fulfillment of the guarantee?

Objected to as incompetent.

A. They would have no means of knowing by whom it was manufactured.

Q. 38. I notice in the watch-case marked "Elgin Commander" the words "Guaranteed Elgin 14 K, 20 years," stamped on the inside of the back cap. Please explain what those words mean, as used in the trade.

A. That it is a 14-karat gold-filled watch-case, and guaranteed to wear twenty years.

Q. 39. Is your company making any watch-cases like that at the present time?

Objected to as immaterial.

A. No, sir.

Q. 40. About how many did it mark in that way?

Same objection.

A. I couldn't tell you that.

Q. 41. I do not care for the exact number, but you may state whether many or few were marked that way, if you can.

Same objection.

A. Not a very large quantity.

Q. 42. When did your company cease to mark cases in that way?

Same objection.

A. Several months ago.

Q. 43. Before this suit was commenced?

Same objection.

A. No, sir.

Q. 44. Have the cases so marked been sold by the defendants outside of this country or to Indian tribes?

A. Not by us.

Q. 45. When your company did mark cases like this Elgin Commander case, was the case accompanied by one of your guarantee certificates, as in this exhibit?

A. Yes, sir.

Q. 46. I notice on the inside of this Elgin Commander cover the words "Elgin Commander" stamped in the metal; have those words also been used where you have stamped the inside of the cap, as in this exhibit?

A. The words "Elgin Commander" have always been stamped on the back cover of every case of that grade.

Q. 47. Have the defendants ever represented in any way that the watch-cases manufactured by the Illinois Watch Case Company were the manufacture or goods of the complainant or of any other person, firm or company?

Objected to as incompetent and leading.

A. No, sir.

Cross-Examination by Complainant's Counsel.

X Q. 48. How long have you been president of the Illinois Watch Case Company?

A. Four or five years.

X Q. 49. Who was president of that company before you?

A. M. C. Eppenstein.

X Q. 50. Max C. Eppenstein, of Chicago?

A. Yes, sir.

X Q. 51. How long was he president of it?

A. Two or three years.

X Q. 52. Is he one of its officers or directors now?

A. He is a director.

X Q. 53. You say that the Illinois Watch Case Company, prior to May, 1890, had its place of business in Chicago, Illinois. Where was that place of business?

A. Clinton street.

X Q. 54. What number?

A. I think it was 48 N. Clinton, if I remember.

X Q. 55. Did it rent the place?

A. Yes, sir.

X Q. 56. From whom?

A. Mr. Blatchford.

X Q. 57. How long did it carry on business in the City of Chicago, Illinois, before it moved to Elgin?

A. About a year and a half.

X Q. 58. You state that the Elgin Cycle Company is a distinct and separate company from the Illinois Watch Case Company. How long has it been incorporated?

A. Since 1895.

X Q. 59. Did it do business before it was incorporated?

A. No, sir.

X Q. 60. Who is its president?

A. I am.

X Q. 61. How long have you been its president?

A. I have always been its president.

X Q. 62. Is Mr. Eppenstein one of its officers or directors?

A. He is a director.

X Q. 63. How long has he been a director?

A. He has always been a director.

Counsel for defendants objects to the foregoing and all questions in reference to the Elgin Cycle Company as incompetent, irrelevant and immaterial. This objection is intended to be made once for all.

X Q. 64. What is the capital stock of the Illinois Watch Case Company?

A. Two hundred and fifty thousand dollars.

X Q. 65. Name five of its principal stockholders.

A. There are not five principal stockholders.

X Q. 66. How many stockholders has it?

A. Is that a question to be answered, Mr. Banning?

By Mr. Banning: You may exercise your pleasure about answering it.

A. Answer refused.

X Q. 67. Name its principal stockholders.

A. Answer refused.

X Q. 68. What is the capital stock of the Elgin Cycle Company?

A. One hundred thousand dollars.

X Q. 69. Name five of its principal stockholders.

A. Answer refused.

X Q. 70. Name its principal stockholder.

A. Answer refused.

X Q. 71. Is it not a fact that the persons who own the majority of the stock and control the business of the Illinois Watch Case Company are the same persons who own the majority of the stock and control the business of the Elgin Cycle Company?

A. Answer refused.

X Q. 72. Does the Elgin Cycle Company do business in a building at Elgin which is an extension of the building in which the Illinois Watch Case Company carries on its business?

A. It does.

X Q. 73. Who built that extension?

A. Answer refused.

X Q. 74. Will you tell me why you refuse to state to the court whether or not the same persons who own a ma-

jority of the stock and control the business of the Illinois Watch Case Company are the persons who own the majority of the stock and control the business of the Elgin Cycle Company?

A. I refuse to answer the question.

X Q. 75. Is it not a fact that both of those companies are owned and managed by the same persons?

A. Answer refused.

X Q. 76. Why do you refuse to answer my last question?

A. Answer still refused.

X Q. 77. Who furnished the capital with which the Elgin Cycle Company established and carries on its business?

A. Answer refused.

X Q. 78. Is it not a fact that those two so-called companies are practically but branches or departments of a single concern which have been incorporated under different names?

A. Answer refused.

X Q. 79. What is the name of the business firm of Mr. Max C. Eppenstein here in Chicago?

A. M. C. Eppenstein & Co.

X Q. 80. Name the wholesale watch dealers or jobbers here in Chicago to whom the Illinois Watch Company directly sells its watch-cases.

A. Otto Young & Co., Lapp & Flersheim, Lewis Manheimer, M. C. Eppenstein & Co., A. C. Becken & Co., Orr & Evans, and a number of others which I can't recall.

X Q. 81. Which of those concerns handles the larger number of your watch-cases?

A. M. C. Eppenstein & Co.

X Q. 82. To what wholesale jewelers in Buffalo, De-

troit, Boston and New York does your Illinois Watch Case Company directly sell its watch-cases?

A. Morrill Bros. & Co., Boston; Smith, Patterson & Co., Boston; Sherwin & Clark, Boston; J. C. Sawyer & Co., Boston; H. Keyster & Co., Detroit. I can't recall who there is in Buffalo. Sam Stern & Co., New York; Leon Hirsch & Co., New York; Byron L. Strasburger & Co., New York; Hipp Didesheim, A. M. Bacharach & Co., R. R. Vogel, Arthur J. Kahn & Co., all of New York. That is all I think of just now.

X Q. 83. Can you complete the list by giving me this afternoon the names of the wholesale jewelers, or their firms, in Detroit and Buffalo to whom your company sells its watch-cases directly?

A. I gave Detroit; I think that is the only one. I don't believe we have a customer in Buffalo now; we had one, but I think he has gone out of business.

X Q. 84. What is the name of the Buffalo party to whom you refer in your last answer?

A. Stadtlinger; I don't remember his first name.

X Q. 85. How long ago was he dealing in your watch-cases at Buffalo?

A. I don't remember.

X Q. 86. You state that after your company has sold its watch-cases to the wholesale jewelers it has no further control over them; do you know where the wholesale jewelers sell your watch-cases?

A. No, sir.

X Q. 87. Then you don't know whether your watch-cases (and by your watch-cases I always mean the watch-cases manufactured by the Illinois Watch Case Company), after they leave your hands, go into foreign trade, or trade among the Indian tribes or not, do you?

A. No, sir.

X Q. 88. To what wholesale jewelers in San Francisco, Cal., does your company sell directly?

A. George Greenschweig & Co.

THOMAS W. DUNCAN.

Counsel for defendant offers in evidence certificate of registry of the trade-mark "Lady Elgin," No. 21,463, registered July 19, 1892; certificate of registry of the trade-mark "Elgin Watch Co.," No. 21,465, registered July 19, 1892; certificate of registry of the trade-mark "Elgin, Ill's.," No. 21,461, registered July 19, 1892; and certificate of registry of the trade-mark "Elgin National Watch Co.," No. 21,464, registered July 19, 1892.

Counsel also offers in evidence certified copies of the file-wrappers and contents in the matter of the registration of the trade-mark "Elgin," Nos. 9,810, of November 14, 1882, and 21,462, of July 19, 1892.

Complainant's counsel object to the introduction of the several exhibits just put in evidence, on the ground that they are immaterial and irrelevant.

Recess for lunch.

Upon reassembling an adjournment was taken until 10 o'clock A. M. Monday, April 26, 1897, but with the understanding that a further adjournment will be noted in case Mr. Thomas A. Banning is still detained in New York on account of his engagements there.

Chicago, April 26, 1897, 10 o'clock A. M. Parties met pursuant to adjournment. Present as before.

THOMAS W. DUNCAN, a witness recalled on behalf of the defendants, in answer to questions by Mr. Banning, deposes and testifies as follows:

Q. 1. You have already been examined as a witness in this case, have you not?

A. I have.

Q. 2. In answer to Q. 27 of your other deposition you have stated that the defendant had not manufactured watch-cases and shipped them abroad, and in answer to Q. 30 you stated that the purchasers of your watch-cases were all located in the United States. Since the adjournment was taken, have you made any examination of the books of the defendant to verify your recollection in reference to this matter?

A. I have.

Q. 3. If you have any addition or modification to make to the answers to which I have called your attention, please do so, making any statement necessary to the exact facts as you found them on examination of the books kept by your company.

A. I find the Illinois Watch Case Company has sold watch-cases to parties outside of the United States.

Q. 4. In how many instances do you find that has been the case?

A. In a few instances.

Q. 5. In those instances, was the word "Elgin" used alone or in connection with other words?

Objected to as calling for secondary evidence, unless the witness shall answer from his own memory

alone and without depending in any way upon the evidence of the books. If the contents or statements of the books are to be used, the complainants will insist that the books shall be produced.

By Mr. Banning: In answering the question, state from your own knowledge and recollection.

A. The word "Elgin" was not used alone.

Q. 6. In answering questions 25 and 26 you have stated that the complainant had manufactured watch-movements which did not contain the name "Elgin" on them or in connection with them, but contained the words "Atlas Watch Company, Chicago." Please state the name of some party in Chicago—if you know—who procures watch-movements from the complainant so marked.

A. L. Manheimer, Columbus Building, Chicago.

Cross-Examination de bene esse by Complainant's Counsel.

X Q. 7. In the watch-cases sold by the Illinois Watch Case Company to parties in foreign countries what words were used additional to the word "Elgin"—what was the whole inscription?

A. "Elgin Tiger," "Elgin Giant" and "Elgin Commander."

X Q. 8. Do you clearly remember the fact that these words were used on those cases?

A. To the best of my knowledge, they were.

X Q. 9. Did you get that knowledge from the books of the company or from your own memory?

A. From both.

X Q. 10. How happens it that you did not remember the fact, and did not even remember that your company had sold watches abroad, when you testified here a week or two ago, but now, after examining the books, recollect

it all of your own memory and without relying upon the books?

A. Examining the books refreshed my memory.

X Q. 11. Were you personally aware of those foreign transactions at the time when they occurred?

A. I was.

X Q. 12. What did you personally have to do with the transaction at the time?

A. I OK'd the filling of the order.

X Q. 13. Now that you find you were wrong in the recollection that you have, but did not have of these particular transactions when you gave your last deposition, I will ask if there are any other things concerning which you have testified in this case in regard to which you have since ascertained that your recollection at the time was unreliable?

A. Nothing else.

X Q. 14. How about the matter of the Elgin Cycle Company being a branch department of the Illinois Watch Case Company—is it still your recollection that it is not and has never been?

A. Answer refused.

X Q. 15. I show you a copy of a printed publication styled the "Elgin Daily News," dated December 19, 1896, at Elgin, Illinois, numbered 298, it appearing to be a printed newspaper containing twenty-four pages. I call your attention particularly to an article appearing on page 16 of that issue, which article is as follows:

"THE ILLINOIS WATCH CASE CO.

"The Illinois Watch Case Company, situated on Dundee and Slade Avenues, is one of Elgin's latest and most successful industries They employ nearly 300 operatives in their various departments. The product consists of gold-filled watch cases of all

grades and styles, intended to meet all requirements, from the highest grade of jewelled case to the ordinary engraved kind. These watch cases are sold throughout the United States and Canada by the leading wholesale jewellers.

"The Elgin Cycle Company is a branch of the above company, devoted to the manufacture of high grade bicycles. At present about 100 men are kept busy preparing for a very extensive '97 business. Judging by contracts already closed, the demand for Elgin King bicycles will far exceed the capacity of the concern, hence an extension of their plant is a possibility of the near future."

I also call your attention to a cut or picture at the bottom of the same page purporting to represent the "Plant of The Illinois Watch Case Company." What I wish to inquire now is, whether you knew of this publication when you testified here on April 14, 1897, and, if you did, how long you had known of it?

A. Answer refused.

By Mr. Banning: I think you had better tell, Mr. Duncan, what you know about that, although I wish at the same time to object to the question as incompetent, immaterial and irrelevant, and as having no bearing whatever on the issues involved in this case.

A. The building represented here is the Illinois Watch Case Company. I can't recall exactly, as this would come under the advertising, which I do not attend to.

X Q. 16. Don't you know whether you had knowledge of that publication or advertisement before the 14th day of April, when you last testified here?

A. I don't try to memorize this kind of matter.

Answer objected to by Mr. Hill as not responsive, and question repeated.

A. I have no further answer to make.

X Q. 17. That publication was an advertisement in-

serted in the Elgin Daily News of December 19, 1896, was it not?

A. It may have been.

X Q. 18. Don't you know whether it was or not?

A. I refuse to answer.

X Q. 19. Has it been paid for yet?

By Mr. Banning: This line of questioning is objected to as irrelevant, incompetent and immaterial, and as in no way bearing upon the issues involved in this case.

A. Answer refused.

X Q. 20. Did you at the time know of the agreement or arrangement with the Elgin Daily News for its insertion?

A. Answer refused.

X Q. 21. Who had charge of the advertising business of the Illinois Watch Case Company during the months of December, 1896, and January, 1897?

A. Answer refused.

X Q. 22. Was not the cut or picture which appears at the bottom of page 16 of said newspaper, and is there designated as "Plant of the Illinois Watch Case Company" made from a photograph furnished to the newspaper or its agent by the Illinois Watch Case Company, or by yourself, as its president?

A. Answer refused.

X Q. 23. Did your company, or did you, as its president, furnish the Elgin Daily News people with a photograph or cut of your factory for the purpose of that publication?

A. Answer refused.

X Q. 24. Did the Illinois Watch Case Company, or you, as its president, furnish the Elgin Daily News peo-

ple with the information which appears in the article in question?

A. Answer refused.

Complainant's counsel state that, as the witness refuses to reply to interrogatories, they here close this cross-examination, but offer in evidence, to be marked "Complainant's Exhibit Elgin Daily News Article," the copy of the Elgin Daily News, dated December 19, 1896, which has been referred to in the above examination. The particular matter to be used as evidence is the title and date of the paper, and the article on page 16 thereof, which has been above quoted on the record, and the picture at the bottom of page 16 hereinabove referred to. In printing the record it will not be necessary to print anything more than these three things; in fact, it will be unnecessary to reprint the cut or picture, as the latter will appear in the exhibit and can be examined there by the court.

By Mr. Banning: Counsel for defendants objects to the exhibit above offered in evidence as incompetent, irrelevant, immaterial and as a useless encumbering of the record.

Thomas W. Duncan.

Notary's Certificate.

I, Annie C. Courtenay, a Notary Public in and for the County of Cook, in the State of Illinois, hereby certify that all the proceedings aforesaid were had as stated in the cause named in the caption hereto; that on the 13th day of April, 1897, and subsequent days mentioned in the foregoing deposition, I was attended by Mr. Lysander Hill and Mr. George S. Prindle, counsel for complainant, and Mr. Thomas A. Banning, counsel for defendants, and by the witnesses Thomas F. Sheridan and Thomas W. Duncan; that before giving their depositions the said witnesses were by me severally duly sworn to testify the truth, the whole truth, and nothing but the truth in said cause, and that their depositions were taken down by me in typewriting from their statements and afterwards read over and subscribed by them as and for their depositions in said cause; and that I am not related to or of counsel for either of said parties, or in any way interested in the result of said suit.

In witness whereof I have hereunto set my hand and affixed my notarial seal this 11th day of May, 1897.

ANNIE C. COURTENAY,
Notary Public.

[SEAL.]

File-Wrapper and Contents of Trade-Mark No. 9,810.

DEPARTMENT OF THE INTERIOR,

UNITED STATES PATENT OFFICE.

To all person to whom these presents shall come, Greeting:

This is to certify that the annexed is a true copy from the records of this Office of the file-wrapper and contents in the matter of the Trade-Mark registered by Elgin National Watch Company, November 14, 1882, number 9,810, for Watch-Movements.

In testimony whereof I have hereunto set my hand and caused the seal of the Patent Office to be affixed at the City of Washington this 23d [SEAL.] day of December, in the year of our Lord one thousand eight hundred and ninety-six, and of the Independence of the United States of America the one hundred and twenty-first.

S. T. FISHER,
Acting Commissioner of Patents.

Trade Mark registered April 11th 1876–
No 3,574–

PETITION FOR REGISTRATION OF TRADE-MARK.

To the Commissioner of Patents.

Your petitioner, the "Elgin National Watch Company" a corporation organized under the laws of the State of Illinois, Respectfully represents:—that it is domiciled at Chicago, Cook County, State of Illinois, and is engaged in the manufacture of Watches at Elgin, County of Kane, State of Illinois, and that, as said company it is entitled to the exclusive use upon the class of

goods manufactured by it, of a trade-Mark described in the annexed specification and accompanying fac-simile.

It therefore prays, that said trade-mark may be registered and recorded in the United States Patent Office, under the law in such case made and provided.

Your petitioner would farther pray that George S. Prindle, of Washington D. C., may be recognized as its true and lawful attorney, for it and in its name to perform each and every act necessary in the premises.

ELGIN NATIONAL WATCH CO.,
by T. M AVERY President of said Company.

STATEMENT.

To all whom it may concern:—

Be it known, that the Elgin National Watch Comapny, a corporation created under the laws of the State of Illinois, and doing business at Chicago, in the County of Cook, and State of Illinois, has adopted for its use a Trade-Mark, for Watches, of which the following is a full, clear and exact description.

Said Trade-Mark consists of the word

"Elgin,"

and, as a purely arbitrary symbol, is used to designate particular classes or styles of watches, manufactured by said corporation.

This Trade-Mark is affixed to the plate or plates, or to the dial of the Watch, by stamping, engraving, or in any other well known manner, and is also used in circulars, illustrated catalogues, labels, brands, etc., or in any well known manner, for the purpose of advertising the company's particular classes of goods.

This Trade-Mark has been used in the business of said company for ~~seven years and two months last past.~~

In testimony whereof, said company hereunto affixes its seal, this 11 day of April, A. D., 1881.

ELGIN NAT WATCH Co

(Company Seal.) By T. M AVERY President of said Co

Witnesses.

OVERTON S. MELDRAM.

LUTHER S. GREEN-

DECLARATION.

COUNTY OF COOK } ss:-
STATE OF ILLINOIS }

Thomas M. Avery being duly sworn, deposes and says, that he is an officer of the Elgin National Watch company before named; that he verily believes that the foregoing statement is true; that said company has at this time a right to the use of the trade-mark therein described, that no other person, firm or corporation has the right to such use, either in the identical form or in any such near resemblance thereto as might be calculated to deceive; that it is used in commerce with, Great Britain, France, Belgium, Austria, Germany and Russia, that the description and fac-similes presented for record truly represent the trade-mark sought to be registered, and that he is a citizen of the United States.

Sworn before me, this 11 day of April, A. D., 1881.

JOHN R FLOYD

Notary Public

(Notarial Seal.) for Cook County Illinois

[Endorsed]: 19. 12845. Petition of Elgin National Watch Co., for Registration of Trade-Mark "Elgin." U. S. Patent Office. Apr 29 1881.

To the Commissioner of Patents.

In the matter of the application of the Elgin National Watch Co., for Registration of Trade-Mark.

"Elgin,"

filed April 28" 1881. I hereby amend the specification by erasing word "watches" from 10" line and inserting the words "watch movements,"

I farther amend by erasing the word "watches" from 15" line and inserting the words "watch movements,"

I farther amend by inserting after line 16, the following:–

"The class of goods to which the trade-mark is appropriated is time keeping mechanism and the particular goods is watch movements."

Respectfully,

GEO. S. PRINDLE,

Atty.

[Endorsed]: 1. 19. 12845. May 7/81. Prelim. Amdt. "A." Elgin National Watch Co. U. S. Patent Office. May 7 1881.

Room No. 221.
All communications should be addressed to
"The Commissioner of Patents,
Washington, D. C."

DEPARTMENT OF THE INTERIOR,

UNITED STATES PATENT OFFICE,

Cpd WASHINGTON, D. C., May 9, 1881.

ELGIN NATIONAL WATCH CO.,
Care Geo. S. Prindle,
Present.

Please find below a copy of a communication from the

EXAMINER OF TRADE-MARKS regarding your trade-mark application, filed April 29, 1881

Very respectfully,

E M MARBLE

Case No. 12,845. Commissioner of Patents.

The same objections as pointed out in official letter in Case No. 12,839, are found to apply to the above entitled application.

The case is rejected.

D. CLARKE, A. Ex. F. A. SEELY, Examiner.

[Endorsed]: 2. 19. 12845. May 9/81. Rejection. Elgin National Watch Co.

To the Commissioner of Patents.

In the matter of the application of the Elgin National Watch Co., for Registration of Trade-Mark,–

"Elgin,"

filed April 28" 1881.–Office No 12,845.–I hereby amend specification, by erasing the words "seven years and two months." from 24 line, and inserting in place thereof the words "thirteen years last past."

June 2/81 Amdt

This trade-mark was registered upon the 11th. day of April, 1876, by the same Co., which now asks registration under the new law.

With regard to the geographically descriptive nature of the matter sought to be registered, I would invite attention to the enclosed affidavit made by the President of the company, which shows that the public have adopted and applied the name "Elgin" in some form to the watches manufactured by said Co., and that such name has represented to the trade and to the public generally

for many years the movements produced by said Co. To now refuse registration and to permit others to palm off inferior grades of movements under the name in question would be to inflict great injury upon the public, as well as upon your petitioners who, from long and undisturbed use of said name have acquired rights which are valuable both to themselves and to the public.

Respectfully
GEO. S. PRINDLE,
Attorney.

[Endorsed]: 3. 19. 12845. June 2/81. Amdt. Elgin National Watch Co. U. S. Patent Office. June 2 1881.

Room No. 221
All communications should be addressed to "The Commissioner of Patents, Washington, D. C."

DEPARTMENT OF THE INTERIOR,
Cpd UNITED STATES PATENT OFFICE,
WASHINGTON, D. C., June 7, 1881.

ELGIN NAT. WATCH CO.,
Care Geo. S. Prindle,
Present.

Please find below a copy of a communication from the EXAMINER OF TRADE-MARKS regarding your T. M. application, filed Apr. 29, 1881.

Very respectfully,
E M MARBLE
Commissioner of Patents.

Case No. 12,845.

The word "Elgin" being geographically descriptive of the place of manufacture of applicants' goods is not registrable as a trade mark.

See U. S. Supreme Court Decision D. H. & Co. vs. Clark, 1 O. G., 279.

F. A. SEELY,
Examiner.

[Endorsed]: 4. 19. 12845. June 7/81. Rejection. Elgin National Watch Co.

To the Commissioner of Patents.

In the matter of the application of The Elgin Nat. Watch Co. for Registration of Trade-Mark "Elgin," filed Apl. 28th 1881, No. 12,845.

OATH.

COUNTY OF WASHINGTON } 88:–
DIST. OF COLUMBIA. }

I, Henry Semken, being duly sworn depose and say, that I have been engaged in the sale of Watches during the past thirty years, and that I am familiar with the watches manufactured and sold by the Elgin National Watch Co. The term "Elgin" has been used by the trade and by the public generally for many years to designate the watches manufactured by the said Co., and to my knowledge has never been used to designate any other watches than those manufactured by the same.

HENRY SEMKEN

Sworn before me this 17th. day of October, 1882.

W. SCOTT TOWERS

(Notarial Seal.) Notary Public

[Endorsed]: 5. 19. 12845. Oct. 17 – 82. Affidavit. Elgin National Watch Co. U. S. Patent Office. Oct 17 1882.

Room No. 221.
All communications should be addressed to
"The Commissioner of Patents,
Washington, D. C."

DEPARTMENT OF THE INTERIOR,

C. UNITED STATES PATENT OFFICE,

WASHINGTON, D. C., October 25, 1882.

ELGIN NATIONAL WATCH CO.,
Care Mr. George S. Prindle,
Present.

Please find below a copy of a communication from the EXAMINER OF TRADE-MARKS regarding your trade mark application, filed April 29, 1881.

Very respectfully,

E M MARBLE

Case No. 12,845. Commissioner of Patents.

In view of the affidavit last filed the above entitled case may issue when placed in a formal condition.

There is no reference made in the papers to the accompanying fac-simile.

The recital of both the class of merchandise and the particular description of goods is omitted in the body of the statement. Both of these recitals are required by the statute.

D. CLARK
A. Ex.

F. A. SEELY,
Examiner.

[Endorsed]: 6. 19. 12845. Oct. 25, 82. Letter. Elgin National Watch Co.

To the Commissioner of Patents.

In the matter of the application of the Elgin Nat. Watch Co. for Registration of Trade-Mark

"Elgin",

filed Apl. 28th. 1881. Office number No. 12845.

Oct. 26, '82.
Amdt B

I hereby amend the specification by inserting after the word "Elgin" in 13th line of page 2, the words "as shown by the accompanying fac-simile".

Very respectfully,

GEO. S. PRINDLE,

Attorney.

[Endorsed]: 7. 19. 12845. Oct. 26-82. Amdt. B. Elgin National Watch Co. U. S. Patent Office. Oct 26 1882.

Issue Division.
All communications should be addressed to
"The Commissioner of Patents,
Washington, D. C."

DEPARTMENT OF THE INTERIOR,

UNITED STATES PATENT OFFICE,

WASHINGTON, D. C., Oct. 27 1882.

ELGIN NATIONAL WATCH CO.,

c/o G. S. Prindle,

City.

Sir: YOUR APPLICATION for REGISTRATION OF TRADE-MARK for Watch Movements has been examined and allowed.

The Certificate of Registration will be issued and forwarded to you as soon as practicable, in due order of business.

Very respectfully,

E M MARBLE

Commissioner of Patents.

[Here follows printed Patent Office copy of Statement and Declaration of Trade-Mark No. 9,810.]

1473
191

File-Wrapper and Contents of Trade-Mark No. 21,462.

DEPARTMENT OF THE INTERIOR,

UNITED STATES PATENT OFFICE.

To all persons to whom these presents shall come, Greeting:

This is to certify that the annexed is a true copy from the records of this Office of the file-wrapper and contents in the matter of the Trade-Mark registered by Elgin National Watch Company, July 19, 1892, Number 21,462, for Watches.

In testimony whereof I have hereunto set my hand and caused the seal of the Patent Office to be affixed at the City of Washington this 23d day of December, in the year of our Lord one thousand eight hundred and ninety-six, and of the independence of the United States of America the one hundred and twenty-first.

[SEAL.]

S. T. FISHER,
Acting Commissioner of Patents.

Amount received
$.
Chief Clerk.

PETITION FOR REGISTRATION OF TRADE-MARK.

The Commissioner of Patents:

The undersigned presents herewith a fac-simile of its lawful trade-mark, and requests that the same, together with the accompanying statement and declaration may be registered in the United States Patent Office, in accordance with the law in such cases made and provided.

The undersigned further requests that Messrs. Geo. S. Prindle and Philip G. Russell, of the firm of Prindle and Russell, of Washington, D. C., may be recognized as its true and lawful Attorneys, with full power to perform each and every act necessary in the premises.

ELGIN NATIONAL WATCH CO
by Thomas M Avery Pres.

(Companys' Seal.)

Chicago, Illinois, May, 17" 1892.

STATEMENT-

To all whom it may concern:–

Be it known that the Elgin National Watch Company, a corporation created under the laws of the State of Illinois, and doing business a Chicago, in the county of Cook and State of Illinois, has adopted for its use a Trade-Mark for Watches, of which the following is a full, clear, and exact description–

Said trade-mark consists of the word

"Elgin,"

as shown by the accompanying fac-simile ~~and as a purely arbitrary symbol is used to designate particular classes or styles of watches manufactured by said corporation~~

Erase A
Insert A
June 22 '92

The class of goods to which the trade-mark is appropriated is time keeping instruments and the particular description of goods comprised in said class upon which we have used it is Watches.

This trade-mark is affixed to the plate or plates or to the dial of the watch by stamping, engraving, or in any other well known manner, and is also used in circulars, illustrated catalogues, labels, brands, &c., or in any well known manner for the purpose of advertising the company's particular classes of goods.

This trade-mark has been used in the business of said company for twenty-two years and six months last past–

In testimony whereof said company hereunto affixes its seal this 17" day of May, A. D., 1892.

ELGIN NATIONAL WATCH CO (Companys Seal.)
by Thomas M Avery
President of said Company

Witnesses) GEO. S. PRINDLE
) GEO PRALL

DECLARATION-

COUNTY OF COOK, } ss:-
STATE OF ILLINOIS }

Thomas M. Avery, being duly sworn, deposes and says that he is an officer of the Elgin National Watch Company, beforenamed; that he verily believes that the foregoing statement is true; that said company has at this time a right to the use of the trade-mark therein described; that no other person, firm, or corporation has the right to such use, either in the identical form or in any such near resemblance thereto as might be calculated to deceive; that the trade-mark is used by said corporation in commerce between the United States and foreign nations or Indian tribes, and particularly with Great Britain, France, Belgium, Austria, Germany, and Prussia; that the description and fac-simile presented for record truly represents the trade-mark sought to be registered, and that he is a citizen of the United States.

THOMAS M AVERY

Sworn before me this 17th day of May A. D. 1892
D. WILEY MCCAUGHEY
Notary Public for Cook County
State of Illinois-

(Notarial Seal.)

[Endorsed]: Serial No. 79. 42042. Paper No. ½.

Appln. Filed June 10, 1892. Elgin National Watch Co. U. S. Patent Office, Jun 10 1892, Chief Clerk.

DEPARTMENT OF THE INERIOR,
UNITED STATES PATENT OFFICE,
WASHINGTON, D. C., June 15, 1892.

ELGIN NATIONAL WATCH CO.

Care Prindle & Russell
City.

Trade Mark,
No. 42042.
June 10, 1892.

"Elgin"

This case is not entitled to consideration, no essential features of the mark being set forth. They are required to be and lines 13 to 16 inclusive should be accordingly amended. The date of use of the mark should be given as definitely as convenient, that is, naming month and year, for purposes of publication in the event of allowance. However registration must be refused the word "Elgin" on the ground that geographical names as a rule do not constitute valid trade marks, and it is not understood applicant may be entitled to an exclusive use of this word as against the National Watch-works established at said place and doing an extensive business there.

HUTCHINGS

F. A. SEELY
Asst.

[Endorsed]: Serial No. 79. 42042. Paper No. 1. Letter. Dated June 15 1892.

To the Commissioner of Patents,

In the matter of the application of the Elgin National Watch Co., for Registration of Trade-Mark– "Elgin," –filed June 10th 1892,–Case No. 42,042;–erase lines 14, 15 and 16 on page 1 of statement, and insert,

"in which said word appears printed in plain block letters on a horizontal line. But such printing and arrangement of letters can be varied, as desired, without materially altering the character of the said trade-mark, the essential feature of which is the word "Elgin"."

On line 30 and 31 of page 1 of statement, erase the words "for twenty years and six years, last past," and insert "since April 11th 1868."

As to the objection contained in the last paragraph of the Office letter, applicant would call attention to the fact that, as set forth in its statement, the word sought to be registered as a trade-mark has been used for 24 years, and submits that such long continued use during which the word has come to be recognized by dealers, generally, as indicating a certain make and kind of goods, should take such word out of or beyond its ordinary geographical significance, when used upon watches, as it is by applicant.

It is thought that the National Watch Works, referred to in the Office letter, are the ones for whom registration was asked by mistake. In the application for registration, the word "Elgin" was by oversight, left out. The Company, which should have had and afterwards did get registration for the words as applied to watch movements, was really the Elgin National Watch Co.

A reconsideration of the case in view of the above explanation, is requested.

If desired, affidavits can be furnished to show that the

trade generally has, for a long time regarded the world now sought to be registered, in the nature of a trade-mark, to indicate a certain manufacture and grade of goods.

Respectfully,
ELGIN NATIONAL WATCH Co
by Prindle & Russell
its Attys.

[Endorsed]: Serial No. 79. 42042. Paper No. 2. Amdt. A & Arg. Filed June 22, 1892. Elgin National Watch Co. U. S. Patent Office Jun 22 1892 Trade-Marks.

Issue Division.
All communications should be addressed to
"The Commissioner of Patents,
Washington, D. C."

DEPARTMENT OF THE INTERIOR,
UNITED STATES PATENT OFFICE,
WASHINGTON, D. C., June 27, 1892

ELGIN NATIONAL WATCH COMPANY,
c/o Prindle & Russell
City.

Sir: Your APPLICATION for REGISTRATION OF TRADE-MARK for Watches has been examined and allowed.

The Certificate of Registration will be issued and forwarded to you as soon as practicable, in due order of business.

Very respectfully,
W. E. SIMONDS,
Commissioner of Patents.

[Here follows printed Patent Office copy of Statement and Declaration of Trade-Mark No. 21,462.]

UNITED STATES CIRCUIT COURT, NORTHERN DISTRICT OF ILLINOIS, NORTHERN DIVISION.

Elgin National Watch Company, *Complainant.*
vs.
Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham, *Defendants.* } In Equity.

Testimony taken on behalf of the complainant in the above-entitled cause, in rebuttal, this 4th day of May, 1897, at 10 o'clock A. M., before me, L. A. Gardiner, Notary Public, at the office of Mr. Lysander Hill, No. 1133 Monadnock Building, Chicago, Illinois, by consent of the parties.

Present: Mr. Lysander Hill and Mr. George S. Prindle, for complainant, and Mr. Thomas Banning, of Banning, Banning & Sheridan, for defendants.

JOHN M. CUTTER, a witness produced on behalf of complainant, being recalled, deposes and says, in answer to interrogatories by complainant's counsel:

Q. 1. Are you the same John M. Cutter who previously testified in this case?

A. I am.

Q. 2. Do you know of a concern here in Chicago called the "Atlas Watch Company"?

A. I do. They are an Illinois corporation.

Q. 3. What is their business.

A. The selling of watch-movements marked "Atlas Watch Company, Chicago, U. S. A."

Q. 4. Did your company, the Elgin National Watch

Company, ever make any watch-movements for the Atlas Watch Company?

A. Yes, sir.

Q. 5. Did you mark your trade-mark or the trade-mark of the Atlas Watch Company on those movements?

A. We marked both the plate of the movement and the dial with the trade-mark of the Atlas Watch Company.

Q. 6. Why did you mark those movements with the trade-mark of that company instead of marking them with the trade-mark of your own company?

A. Because it was the purpose of the Atlas Watch Company to have movements marked with their own trade-mark, in which we had no connection as regards the sale to the trade. Movements bearing our own trade-marks we sell ourselves to the entire jobbing trade.

Q. 7. Then, if I understand you correctly, your company had nothing to do with the sale of the movements made for the Atlas Watch Company; am I correct?

A. You are correct. We had nothing to do with the sale of these movements except to the Atlas Watch Company.

Q. 8. So far as the trade was concerned, they handled them themselves?

A. Yes, sir.

Cross-Examination by Mr. Banning.

X Q. 9. Have there ever been any other instances in which your company have manufactured watch-movements for parties on which your trade-mark was not placed?

Objected to as immaterial, and also as irrelevant to the examination-in-chief.

A. Yes, sir; it has been the custom of the Elgin Com-

pany to manufacture goods for other people, meaning by this the jewelry trade, in which the trade-mark of the company has been omitted entirely. In fact, it is the common custom of all watch companies to so manufacture goods. It has been with the Elgin Company the custom, at least for twenty-five or thirty years.

X Q. 10. Has your company ever manufactured watch-movements on which the word "Elgin" has been used in connection with some other words, as, for instance, "Lady Elgin"?

A. Yes, sir. That is one of our registered trade-marks, and which we have applied to a great many watch-movements.

X Q. 11. What other trade-marks have you used on your watch-movements in which the word "Elgin" was used as a part of the trade-mark?

A. I do not recall any other instances of the use of the word "Elgin" except in connection with "Elgin Natl. Watch Co." and "Elgin, Ills.," or simply the word "Elgin" painted on the dial.

X Q. 12. You have used, then, as I understand, on your watch-movements, as your trade-marks, the words "Elgin," "Lady Elgin," "Elgin, Ills.," "Elgin Natl. Watch Co." Is that correct?

A. We have used the above as part only of our different trade-marks. We have not confined ourselves to them exclusively. We manufacture movements marked, for instance, "B. W. Raymond" on the plate, "Elgin, Ills.," on the barrel-bridge, and "Elgin Natl. Watch Co." on the dial. We have also marked movements "G. M. Wheeler," with "Elgin, Ills.," on the barrel-bridge, and "Elgin Natl. Watch Co." on the dial. These are the only exceptions at the present time. In years past we had a great number of names as trade-marks

which were applied to the movements in much the same manner as here indicated. I should say that in most instances the word "Elgin" appeared on the movement somewhere, or on the dial, or both.

X Q. 13. Was the word "Elgin" used as a part of the names which you say you used in years past?

A. The word "Elgin" was engraved upon the movements or marked upon the dial in some manner. I can't say it was ever applied other than as here stated.

X Q. 14. Please give some of these names that were used in years past, if you can.

Objected to as immaterial and irrelevant.

A. The following is a partial list of the names as nearly as I can recall them: "H. H. Taylor," "M. D. Ogden," "J. T. Ryerson," "Chas. Fargo," "Matt. Laflin," "T. M. Avery," "Francis Ruby," "Gail Borden," "Dexter Street," "State Street," "The Advance," "The Age," "The Chief," "The Leader," "H. Z. Culver," "W. H. Ferry."

X Q. 15. In the use of the words "The Advance," "The Age," "The Chief," "The Leader," for instance, did you use the word "Elgin" as part of the trade-mark?

A. My recollection is that the plate was engraved "Elgin Natl. Watch Co.," and that the barrel-bridge was engraved "The Advance," "The Age," etc.; also that the dial was marked "Elgin Natl. Watch Co.

So far as I can now recall, we have never applied any of the trade-marks here mentioned, as, for instance, "B. W. Raymond," "H. H. Taylor," etc., without having also applied the word "Elgin," as, for instance, "Elgin Natl. Watch Co.," or "Elgin Ills.," engraved on the plate or barrel-bridge or marked on the dial.

X Q. 16. Were these movements known and designated as, for instance, "The Elgin Advance," "The Elgin Age," "The Elgin Chief," "The Elgin Leader," etc.?

A. I do not understand your question as regards the words "known" and "designated."

X Q. 17. Did you call them that, or were they called that in the trade and among the dealers?

A. I cannot say as to that. These movements were quoted in our price-lists and in the trade price-lists as "Elgin movements," and it might be fair to assume that they were known as the "Elgin Advance," etc.

X Q. 18. As I understand you, your company is not using these various names at the present time, with the exception of "B. W. Raymond" and "G. M. Wheeler." Is that correct?

A. We are not now manufacturing them, but there are in the hands of our trade movements marked with some of the other trade-marks here mentioned.

X Q. 19. As a matter of fact, you have used the word "Elgin" in connection with watch-movements manufactured by your company of a great many different qualities, styles and varieties, have you not?

A. Yes, sir; we have.

Re-Direct Examination.

R-D. Q. 20. Were these different names, such as "B. W. Raymond," "G. M. Wheeler," "H. H. Taylor," "The Advance," "The Age," etc., etc., used to distinguish different styles, models or grades of movements?

A. Yes, sir; they were.

R-D. Q. 21. How do you distinguish different styles, models or grades at the present time?

A. By numbers which are used by ourselves, primarily, at the factory, and the trade use them in printing the

price-lists and catalogues; we have various numbers, such as 96, 73, etc. These numbers are not marked on movements. They are simply applied to packages, and the means of identification there is the serial number of the movement as printed on the label which is applied to the package.

JNO. M. CUTTER.

Sworn to and subscribed before me this 4th day of May, 1897.

L. A. GARDINER,
[SEAL.] Notary Public.

Adjourned until 2:30 P. M., May 4th.

Two o'clock P. M. Met pursuant to adjournment. Present as before.

ROBERT W. REID, a witness produced on behalf of the complainant, first being duly sworn, testified as follows to interrogatories propounded by complainant's counsel:

Q. 1. Please state your name, age, residence and occupation.

A. Name, Robert W. Reid; age, twenty-two years; residence, Elgin, Ill.; occupation, bookkeeper.

Q. 2. With what concern are you employed?

A. Lowrie & Black.

Q. 3. What is their business?

A. Publishing of "The Elgin Daily News" and "Weekly Advocate." The Elgin Daily News is the daily paper, and the Weekly Advocate is the weekly paper.

Q. 4. How long have you been employed in that capacity?

A. Five years.

Q. 5. Please look at the paper now handed you, marked "Complainant's Exhibit Elgin Daily News Article," the same purporting to be a copy of "The Elgin Daily News" issued at Elgin, Illinois, Saturday evening, December 19, 1896, and state whether you recognize it as a copy of the Elgin Daily News issued on said date.

A. I do.

Q. 6. I call your attention to an article published on page 16 of said Elgin Daily News of December 19, 1896, entitled "The Illinois Watch Case Company," including a cut or picture purporting to be a picture of the plant of the Illinois Watch Case Company, and including also a short article referring to said company and its business. Do you recollect such article and cut?

A. Yes, sir.

Q. 7. Was that article in the nature of an advertisement, paid for by the party interested?

A. Yes, sir.

Q. 8. Do the books of your employers show who paid for the insertion of that article in your paper?

A. Yes, sir.

Q. 9. Have you here one of the books of your company showing the transaction?

A. I have the book showing the payment.

Q. 10. Will you produce said book and point to the entry of said payment?

A. I hereby produce the book. The entry is as follows: "Ill. Watch Case Co. $10.00."

Q. 11. Under what date is that entry?

A. December 21, 1896.

Q. 12. What is this book which you have here produced containing said entry?

A. Our cash book.

Q. 13. Is it a book of original entry?

A. Yes, sir.

Q. 14. Was this entry made in it in the regular and usual course of your business?

A. It was.

Q. 15. Is this one of the books in your charge as bookkeeper of Lowrie & Black?

A. Yes, sir.

Cross-Examination by Mr. Banning.

X Q. 16. Did you make the entry that has been quoted from this book?

A. No, sir.

X Q. 17. Do you know who paid the $10 noted on your book?

A. No.

X Q. 18. Was it paid in currency or by check?

A. I don't remember.

X Q. 19. Do you know as a matter of fact that any money was paid by the Illinois Watch Case Company as purported in that entry which you have quoted?

Objected to as immaterial.

A. Not any more than our books show.

X Q. 20. From the fact that you find this entry you base your conclusion that this money was paid, do you not?

A. Yes, sir.

Q. 21. You personally have no knowledge of the fact, have you?

A. No, sir. I balanced the account that day, and it balanced.

Q. 22. Do you know who prepared the article to which your attention has been called, in the Elgin Daily News?

A. Mr. Hevenor wrote nearly all of the advertisements, and I suppose he wrote that one.

X Q. 23. Who was Mr. Hevenor?

A. A gentleman engaged by Lowrie & Black to do the special work required to get up our special edition of December 19, 1896.

X Q. 24. He saw the various firms and parties whose business is exploited in this edition and wrote up the articles. Is that your understanding?

A. Yes, sir.

X Q. 25. Was this article to which your attention has been called, in the Daily News, or a proof of it, submitted to the Illinois Watch Case Company before the paper was brought out?

A. Well, we suppose so; we don't know. Mr. Hevenor did it, if any one did.

X Q. 26. Do you know who Mr. Hevenor saw at the Illinois Watch Case Company to get the facts or data on which the article was prepared?

A. No, sir.

X Q. 27. These various advertisements or articles are intended to be general and popular in their nature, are they not?

A. I don't understand exactly what you mean by that question.

X Q. 28. They are intended to be in the nature of puffs or booms of the various industries and of the town, are they not?

A. They are write-ups. I don't know that you can call them puffs. They simply state the facts about each of the parties.

X Q. 29. Are the facts thus stated always the truth?

A. We think so; we try to get the truth.

Re-Direct Examination by Complainant's Counsel.

R-D. Q. 30. When you say that you balanced the account that day and it balanced, do you mean that the cash in hand corresponded to the amount which there should have been if this $10 had been paid in?

A. Yes, sir.

R-D. Q. 31. Do you know whether or not it was customary, in getting up these special advertising issues, to submit the various articles to the parties interested and get their approval of the same, or to submit to them the proof for correction, before the articles were published?

A. In this particular edition we understood from Mr. Hevenor that these articles were approved by the people they were for. We don't know, because he did all the business.

R-D. Q. 32. Where is Mr. Hevenor now?

A. The last we heard from him he was in Wisconsin.

Re-Cross Examination by Mr. Banning.

R-X Q. 33. Was Mr. Hevenor one of the regular reporters or staff of the paper, or connected with the paper except in connection with getting up this special edition?

A. He simply worked for us on that special edition.

R. W. REID.

Sworn to and subscribed before me this 4th day of May, 1897.

L. A. GARDINER,
Notary Public.

[SEAL.]

Notary's Certificate.

STATE OF ILLINOIS, }
COUNTY OF COOK. }

I, L. A. Gardiner, a Notary Public within and for the County of Cook and State of Illinois, do hereby certify that the foregoing depositions of John M. Cutter and R. W. Reid were taken on behalf of the complainant, the Elgin National Watch Company, by consent, before me, at No. 1133 Monadnock Building in the City of Chicago, in said county, on the 4th day of May, 1897; that each of said witnesses was by be duly sworn before the commencement of his testimony; that the testimony of said witnesses was written out by myself on the typewriter; that the opposing parties, the Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham, were present by their counsel, Mr. Thomas Banning, during the taking of said testimony; that said testimony was taken at No. 1133 Monadnock Building, Chicago, Illinois, and was commenced at 10 o'clock A. M. on the 4th day of May, A. D. 1897, and was concluded on the same day; that I am not connected by blood or marriage with either of said parties nor interested directly or indirectly in the matter in controversy.

In witness whereof, I have hereunto set my hand and affixed my seal of office, at Chicago, in Cook County, this 4th day of May, A. D. 1897.

LIZZIE A. GARDINER,
Notary Public.

Complainant's Exhibit Change of Corporate Name.

THE NATIONAL WATCH COMPANY.

CHICAGO, Illinois, May 12, 1874.

We hereby certify that at a special meeting of the stockholders of "THE NATIONAL WATCH COMPANY" held at their office in Chicago, on the twelfth day of May, 1874, pursuant to notice given in the manner provided by law, the following question was submitted to the stockholders:

Resolved, That the name of THE NATIONAL WATCH COMPANY be and the same is hereby changed to "ELGIN NATIONAL WATCH COMPANY," and the question being upon the adoption of such resolution, the stockholders proceeded to vote upon the same, which said resolution was adopted by the stockholders, two thirds of the votes represented by the whole stock of such corporation voting therefor.

In Witness Whereof, we have hereunto set our hands and affixed the seal of said corporation this twelfth (12) day of May, A. D., 1874.

T. M. AVERY, President.

[SEAL.] HIRAM REYNOLDS, Secretary.

STATE OF ILLINOIS, } ss.
COOK COUNTY. }

T. M. Avery, being duly sworn deposes and says that he has read the foregoing certificate subscribed by him and knows the contents thereof, and that the same is true

in substance and in fact, and that he is President of said corporation.

Subscribed and sworn this 14th day of May, 1874.

T. M. AVERY, President.

JNO. R. FLOYD, [SEAL.]
Notary Public.

Filed, May 15, 1874,
GEO. H. HARLOW,
Sec'y of State.

UNITED STATES OF AMERICA, } ss.
STATE OF ILLINOIS. }

OFFICE OF THE SECRETARY OF STATE.

I, William H. Hinrichsen, Secretary of State of the State of Illinois, do hereby certify that the foregoing is a true copy of a certificate of change of name from THE NATIONAL WATCH COMPANY, to ELGIN NATIONAL WATCH COMPANY, filed in this office, May 15th, 1874, the original of which is now on file in this office.

In witness whereof, I hereunto set my hand and affix the Great Seal of State, at the City of Springfield, this fifth day of September, A. D. 1896.

W. H. HINRICHSEN,
Secretary of State.

[SEAL.]

Complainant's Exhibit Act of Incorporation.

AN ACT TO INCORPORATE "THE NATIONAL WATCH COMPANY."

SECTION 1. Be it enacted by the People of the State of Illinois, represented in the General Assembly That Benjamin W. Raymond, Joseph T. Ryerson, Philo Carpenter, Thomas S. Dickerson, Howard Z. Culver George M. Wheeler, Benjamin F. Lawrence, and their associates, successors and assigns be, and they are hereby created a body corporate and politic, by the name and style of "The National Watch Company, and by that name they, and their successors shall have perpetual succession, and be capable in law of contracting and being contracted with, sueing and being sued, of having and using a common seal, of constructing, purchasing, holding, using and selling such machinery, stock, materials, and other personal property, and of purchasing holding and conveying such real estate in the Cities of Elgin and Chicago, or elsewhere, as shall be found necessary or desirable for the business and objects of this corporation, whose general Office shall be located in the City of Chicago.

SECTION 2. The said Corporation is authorized to manufacture, purchase and sell, Watches, Clocks, and Jewelry and parts thereof, and materials for the manufacture of Watches Clocks and Jewelry.

SECTION No. 3. The Capital Stock of said company shall consist of such sum not exceeding Five Hundred Thousand Dollars, and be divided into shares of such amount as the stockholders may from time to time determine: such shares shall be personal property, and transferable in such manner as the By-Laws of said Company shall prescribe.

SECTION 4. The Corporation hereby created shall be under the direction of such number of directors as the Stockholders may from time to time determine, and until otherwise ordered, the number of directors shall be seven. Such directors shall be stockholders, and shall be elected by the stockholders, at such time, and in such manner, as the By-Laws of said Company shall provide, and shall hold their offices for the term for which they were elected, and until their successors are elected.

SECTION 5. Benjamin W. Raymond, Philo Carpenter, Thomas S. Dickerson, Howard Z. Culver, George M. Wheeler, Joseph T. Ryerson, and Benjamin F. Lawrence shall constitute the first Board of Directors under this act, and shall hold their offices until their successors are elected in manner herein provided.

SEC. 6. The Directors of said Company (a majority of which shall constitute a quorum) shall have and exercise (unless otherwise ordered by the stockholders) all the powers hereby conferred on said Corporation, and may elect such officers and agents, and make such By-Laws Rules and Regulations (not inconsistent with the laws of this State) for carrying into effect the objects of this act, as to them shall seem expedient. They shall also have power to fill any vacancy that may happen among the Directors, by death, resignation or otherwise.

SEC. 7. This act shall be deemed and noticed as a public act, without being specially pleaded, and shall take effect from its passage.

ALLEN C. FULLER,
Speaker of the House of Representatives.

WM. BROSS
Speaker of the Senate.

Approved Feb 15, 1865.

RICHARD J. OGLESBY
Governor.

UNITED STATES OF AMERICA, }
STATE OF ILLINOIS. } ss.

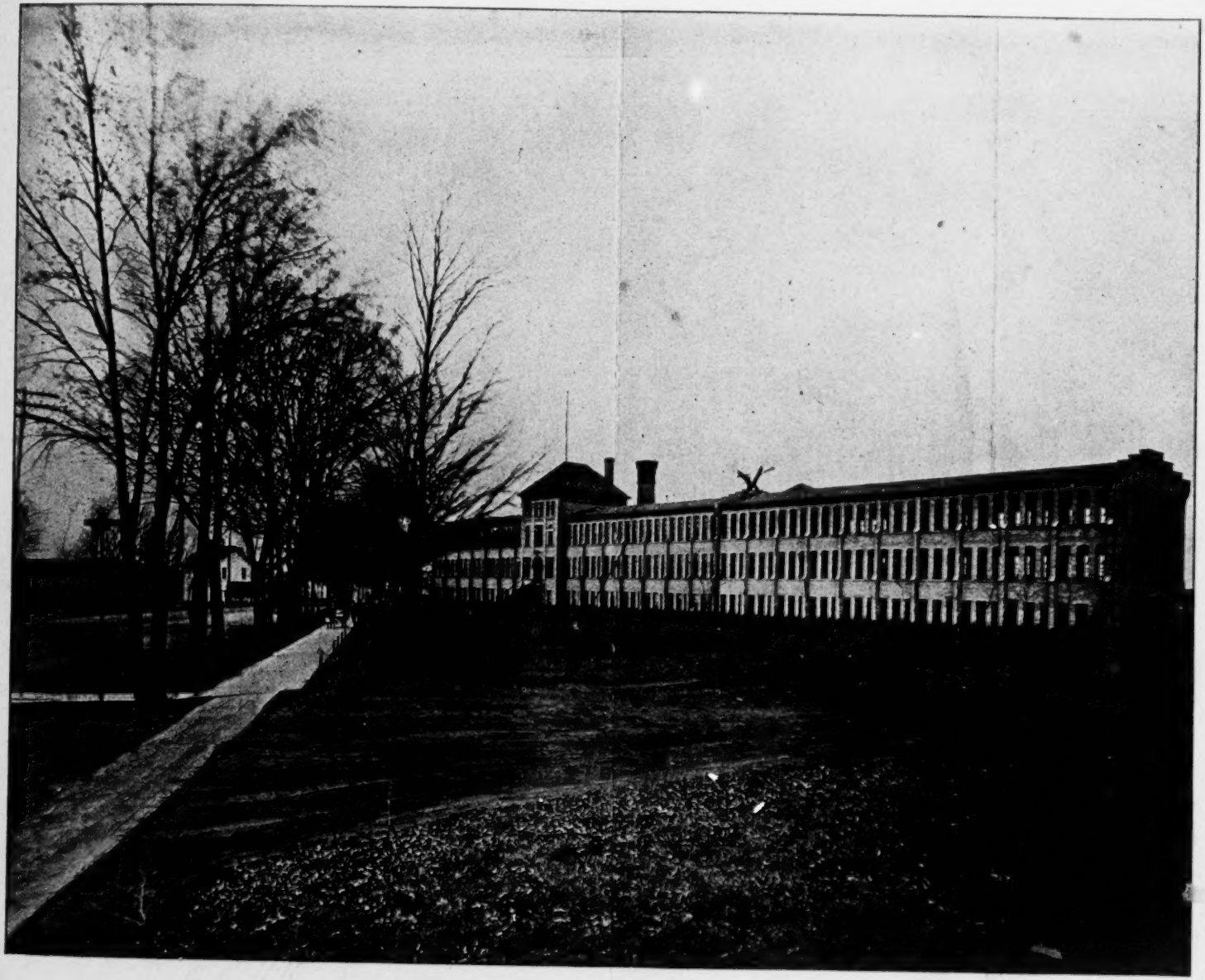
OFFICE OF THE SECRETARY OF STATE.

I, William H. Hinrichsen, Secretary of State of the State of Illinois, do hereby certify that the foregoing is a true copy of an act entitled "An Act to Incorporate The National Watch Company," approved and in force February 15, A. D. 1865, the original of which is now on file in this office.

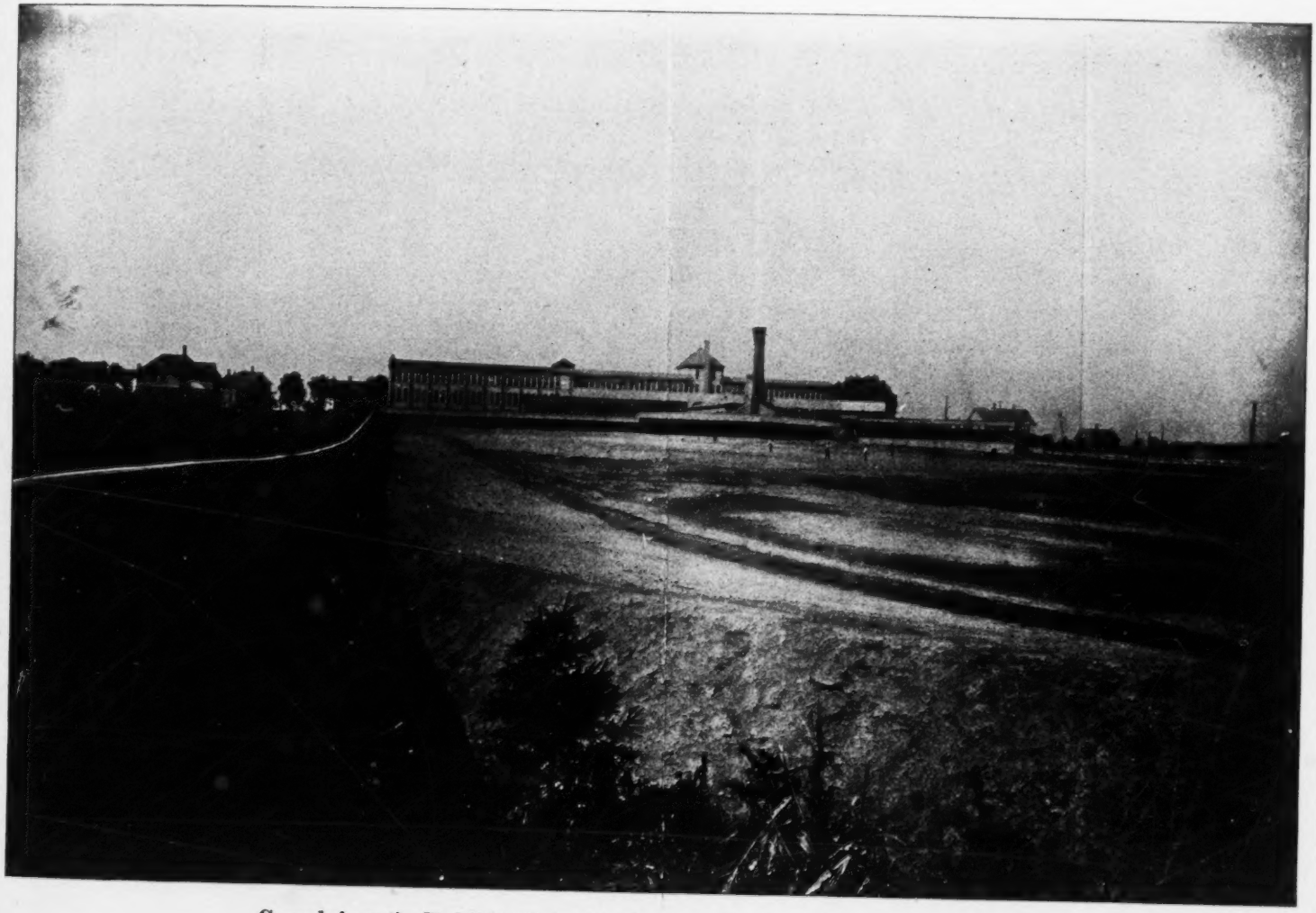
In witness whereof, I hereunto set my hand and affix the Great Seal of State, at the City of Springfield, this 5th day of September, A. D. 1896.

W. H. HINRICHSEN,
Secretary of State.

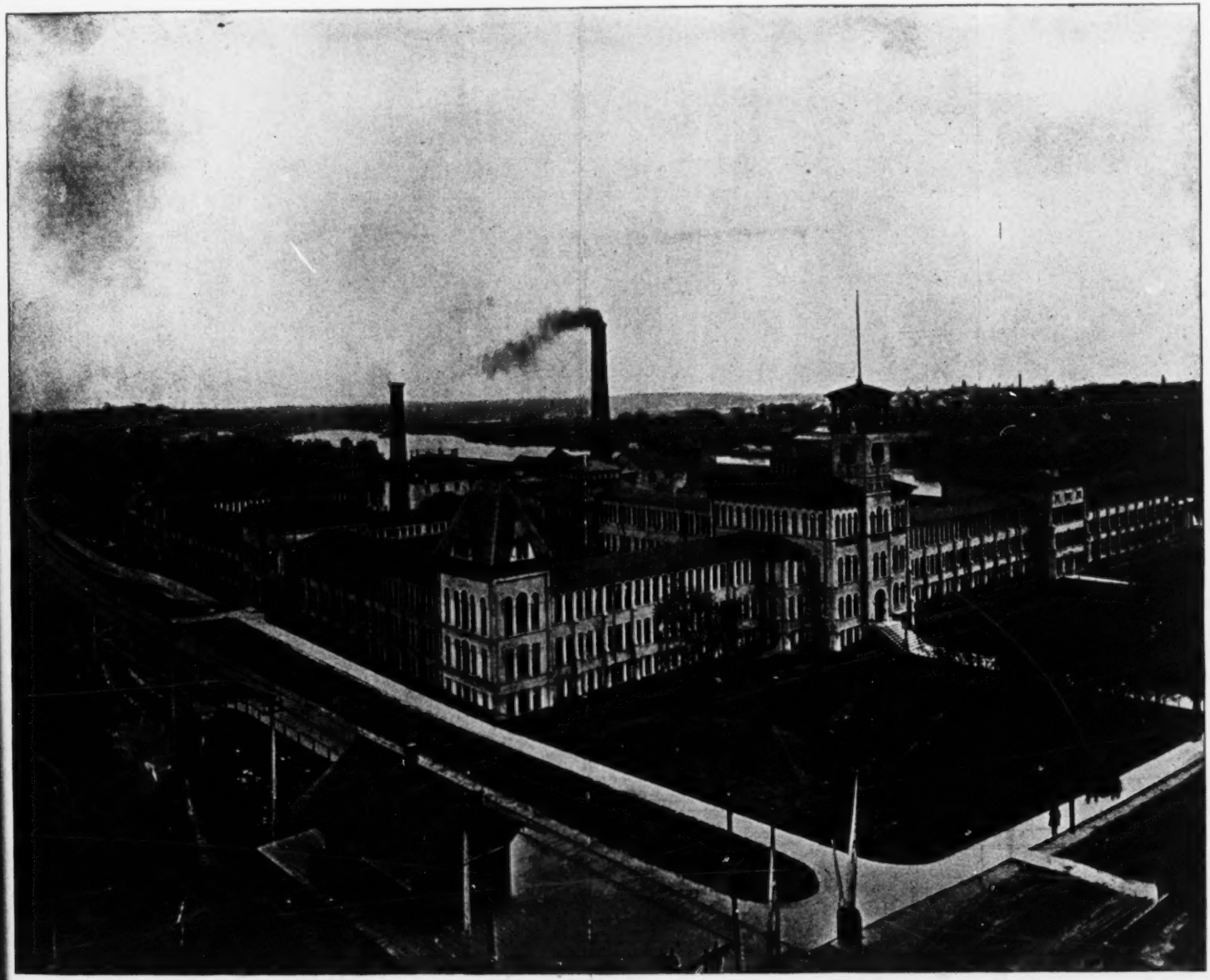
[SEAL.]



Complainant's Exhibit Photograph of Works of Illinois Watch Case Company.



Complainant's Exhibit Photograph Rear View of Defendants' Factory.



Complainant's Exhibit Photograph of Works of Elgin National Watch Company.

14752

TRADE-MARK.

ELGIN NATIONAL WATCH CO.

Watches.

No. 3,574. **Registered April 11, 1876.**

"ELGIN"

WITNESSES:

JAS. E. HUTCHINSON.

JOHN R. YOUNG.

THE ELGIN NATIONAL WATCH CO.,

by PRINDLE & CO., their

Attorneys.

UNITED STATES PATENT OFFICE.

ELGIN NATIONAL WATCH COMPANY, OF CHICAGO, ILLINOIS.

TRADE-MARK FOR WATCHES.

TATEMENT of Trade-Mark No. 3,574, registered April 11, 1876; application filed March 4, 1876.

ecification describing a Trade-Mark, used y the ELGIN NATIONAL WATCH COMPANY, a corporation organized under the laws of he State of Illinois, and doing business at Chicago, in the county of Cook and State f Illinois,) for Watches.

Our trade-mark consists in the word "ELGIN," l, as a purely arbitrary symbol, is used to ignate particular classes or styles of watch- manufactured by us.

This trade-mark is affixed to the plate or tes, or to the dial of the watch by stamp- , engraving, or in any other well-known nner, and is also used in circulars, illustrated catalogues, labels, brands, &c., or in any well-known manner, for the purpose of advertising our particular classes of goods.

This trade-mark has been used in our business for two years last past.

In testimony whereof we have hereunto affixed our hand this 17th day of January, 1876.

ELGIN NATIONAL WATCH CO.,
By HIRUM REYNOLDS, *Secretary*.

Witnesses:
W. G. PRALL,
T. W. BAXTER.

4754

TRADE-MARK.

ELGIN NATIONAL WATCH COMPANY.

(No. 3,574. Registered April 11, 1876.)

Watch Movements.

No. 9,810. **Registered Nov. 14, 1882.**

"ELGIN"

WITNESSES:

JAS. E. HUTCHINSON.
HENRY C. HAZARD.

THE ELGIN NATIONAL WATCH CO.,
by GEO. S. PRINDLE Attorney.

UNITED STATES PATENT OFFICE.

ELGIN NATIONAL WATCH COMPANY, OF CHICAGO, ILLINOIS.

TRADE-MARK FOR WATCH-MOVEMENTS.

STATEMENT and DECLARATION of Trade-Mark No. 9,810, registered November 14, 1882.

Application filed April 29, 1881.

STATEMENT.

To all whom it may concern:

Be it known that the ELGIN NATIONAL WATCH COMPANY, a corporation created under the laws of the State of Illinois, and doing business at Chicago, in the county of Cook and State of Illinois, has adopted for its use a Trade-Mark for Watch-Movements, of which the following is a full, clear, and exact description.

Said trade-mark consists of the word "ELGIN," as shown by the accompanying fac-simile, and as a purely arbitrary symbol is used to designate particular classes or styles of watch-movements manufactured by said corporation.

The class of goods to which the trade-mark is appropriated is time-keeping mechanism, and the particular goods is watch-movements.

This trade-mark is affixed to the plate or plates or to the dial of the watch by stamping, engraving, or in any other well-known manner, and is also used in circulars, illustrated catalogues, labels, brands, &c., or in any well-known manner for the purpose of advertising the company's particular class of goods.

This trade-mark has been used in the business of said company for thirteen years last past.

In testimony whereof said company hereunto affixes its seal this 11th day of April, A. D. 1881.

ELGIN NAT. WATCH Co., [L. S.]
By T. M. AVERY,
President of said Co.

Witnesses:
OVERTON S MELDRUM,
LUTHER S. GREEN.

DECLARATION.

County of Cook, State of Illinois, ss:

THOMAS M. AVERY, being duly sworn, deposes and says that he is an officer of the ELGIN NATIONAL WATCH COMPANY before named; that he verily believes that the foregoing statement is true; that said company has at this time a right to the use of the trade-mark therein described; that no other person, firm, or corporation has the right to such use, either in the identical form or in any such near resemblance thereto as might be calculated to deceive; that it is used in commerce with Great Britain, France, Belgium, Austria, Germany, and Russia; that the description and fac-similes presented for record truly represent the trade-mark sought to be registered, and that he is a citizen of the United States.

Sworn before me this 11th day of April, A. D. 1881.

[L. S.] JOHN R. FLOYD,
Notary Public for Cook County, Illinois.

14756

TRADE-MARK.

ELGIN NATIONAL WATCH COMPANY.

Watches.

No. 21,461. **Registered July 19, 189**

ELGIN ILL'S

WITNESSES:

JAS. E. HUTCHINSON.
HENRY C. HAZARD.

PROPRIETORS.

ELGIN NATIONAL WATCH CO., by
PRINDLE AND RUSSELL, its Attorne

UNITED STATES PATENT OFFICE.

ELGIN NATIONAL WATCH COMPANY, OF CHICAGO, ILLINOIS.

TRADE-MARK FOR WATCHES.

STATEMENT and DECLARATION of Trade-Mark No. 21,461, registered July 19, 1892.

Application filed June 10, 1892.

STATEMENT.

To all whom it may concern:

Be it known that the ELGIN NATIONAL WATCH COMPANY, a corporation created under the laws of the State of Illinois, and doing business at Chicago, in the county of Cook and State of Illinois, has adopted for its use a Trade-Mark for Watches, of which the following is a full, clear, and exact specification.

Said trade-mark consists of the word and abbreviation "Elgin, Ill's," as shown by the accompanying fac-simile, in which the word and abbreviation appear printed in plain block letters on a horizontal line; but other forms of type may be employed, and the letters may be otherwise printed, without materially altering the character of the said trade-mark, the essential features of which are the word "ELGIN" and the abbreviation "ILL'S."

The class of goods to which the trade-mark is appropriated is time-keeping instruments, and the particular description of goods comprised in said class upon which the said company has used it is watches.

This trade-mark is affixed to the plate or plates or to the dial of the watch by stamping, engraving, or in any other well-known manner, and is also used in circulars, illustrated catalogues, &c., for the purpose of advertising the company's particular classes of goods.

This trade-mark has been used in the business of said company since April, 1867.

In testimony whereof said company hereunto affixes its seal this 17th day of May, A. D. 1892.

[L. S.] ELGIN NATIONAL WATCH CO.,
By THOMAS M. AVERY,
Prest.

Witnesses:
GEO. S. PRINDLE,
WM. GEO. PRALL.

DECLARATION.

County of Cook, State of Illinois, ss:

THOMAS M. AVERY, being duly sworn, deposes and says that he is an officer of the ELGIN NATIONAL WATCH COMPANY the applicant named in the statement filed in the above-entitled application; that he verily believes that the said statement is true; that the said company has at this time a right to the use of the trade-mark therein described; that no other person, firm, or corporation has the right to such use, either in the identical form or in any such near resemblance thereto as might be calculated to deceive; that it has been used by said company in commerce between the United States and foreign nations or Indian tribes, and particularly with Great Britain, France, Belgium, Austria, Germany, and Russia; that the description and fac-simile presented for record truly represent the trade-mark sought to be registered, and that he is a citizen of the United States.

THOMAS M. AVERY.

Sworn before me this 23rd day of June, A. D. 1892.

[L. S.] D. WILEY McCAUGHEY,
Notary Public.

4758

TRADE-MARK.

ELGIN NATIONAL WATCH COMPANY.

Watches.

No. 21,462. **Registered July 19, 1892.**

ELGIN

WITNESSES:

JAS. E. HUTCHINSON.
HENRY C. HAZARD.

PROPRIETORS.

ELGIN NATIONAL WATCH CO., by
PRINDLE AND RUSSELL, its Attorneys.

UNITED STATES PATENT OFFICE.

ELGIN NATIONAL WATCH COMPANY, OF CHICAGO, ILLINOIS.

TRADE-MARK FOR WATCHES.

ATEMENT and DECLARATION of Trade-Mark No. 21,462, registered July 19, 1892.

Application filed June 10, 1892.

STATEMENT.

ll whom it may concern:

e it known that the ELGIN NATIONAL RCH COMPANY, a corporation created un- the laws of the State of Illinois, and do- business at Chicago, in the county of Cook State of Illinois, has adopted for its use rade-Mark for Watches, of which the fol- ing is a full, clear, and exact description. aid trade-mark consists of the word "El- " as shown by the accompanying fac- ile, in which said word appears printed in n block letters on a horizontal line; but n printing and arrangement of letters can aried as desired, without materially alter- the character of the said trade-mark, the ntial feature of which is the word "ELGIN." he class of goods to which the trade-mark ppropriated is time-keeping instruments, the particular description of goods com- ed in said class upon which said company used it is watches.

This trade-mark is affixed to the plate or plates or to the dial of the watch by stamping, engraving, or in any other well-known manner, and is also used in circulars, illustrated catalogues, labels, brands &c., or in any well-known manner for the purpose of advertising the company's particular classes of goods.

This trade-mark has been used in the business of said company since April 11, 1868.

In testimony whereof said company hereunto affixes its seal this 17th day of May, A. D. 1892.

[L. S.] ELGIN NATIONAL WATCH CO.,
By THOMAS M. AVERY,
President of said Co.

Witnesses:
GEO. S. PRINDLE,
WM. GEO. PRALL.

DECLARATION.

nty of Cook, State of Illinois, ss:

HOMAS M. AVERY, being duly sworn, de- es and says that he is an officer of the GIN NATIONAL WATCH COMPANY before ned; that he verily believes that the forego- statement is true; that said company has at time a right to the use of the trade-mark rein described; that no other person, firm, corporation has the right to such use, either he identical form or in any such near re- mblance thereto as might be calculated to eive; that the trade-mark is used by said poration in commerce between the United tes and foreign nations or Indian tribes, and particularly with Great Britain, France, Belgium, Austria, Germany, and Russia; that the description and fac-simile presented for record truly represent the trade-mark sought to be registered, and that he is a citizen of the United States.

THOMAS M. AVERY.

Sworn before me this 17th day of May, A.D. 1892.

[L. S.] D. WILEY McCAUGHEY,
Notary Public for Cook County, State of Illinois.

14760

TRADE-MARK.

ELGIN NATIONAL WATCH COMPANY.

Watches.

No. 21,463. **Registered July 19, 18**

LADY ELGIN

WITNESSES:

JAS. E. HUTCHINSON.
HENRY C. HAZARD.

PROPRIETORS.

ELGIN NATIONAL WATCH CO., by
PRINDLE AND RUSSELL, its Attorn

UNITED STATES PATENT OFFICE.

ELGIN NATIONAL WATCH COMPANY, OF CHICAGO, ILLINOIS.

TRADE-MARK FOR WATCHES.

STATEMENT and DECLARATION of Trade-Mark No. 21,463, registered July 19, 1892.

Application filed June 10, 1892.

STATEMENT.

To all whom it may concern:

Be it known that the ELGIN NATIONAL WATCH COMPANY, a corporation created under the laws of the State of Illinois, and doing business at Chicago, in the county of Cook and State of Illinois, has adopted for its use a Trade-Mark for Watches, of which the following is a full, clear, and exact description.

Said trade-mark consists of the words "Lady Elgin," as shown in the accompanying facsimile, in which said words appear printed in plain block letters on a horizontal line; but other forms of type may be employed, or the letters may be differently printed, without materially affecting the character of the trade-mark, the essential feature of which is the words "LADY ELGIN."

The class of merchandise to which the trade-mark is appropriated is time-keeping instruments, and the particular description of goods comprised in said class upon which said company has used it is watches.

This trade-mark is affixed to the plate or plates or to the dial of the watch by stamping, engraving, or in any other well-known manner, and is also used in circulars, illustrated catalogues, labels, brands, &c., or in any well-known manner for the purpose of advertising the company's particular classes of goods.

This trade-mark has been used in the business of said company since December 11, 1870.

In testimony whereof said company hereunto affixes its seal this 17th day of May, A. D. 1892.

[L. S.] ELGIN NATIONAL WATCH CO.,
By THOMAS M. AVERY,
Pres.

Witnesses:
GEO. S. PRINDLE,
WM. GEO. PRALL.

DECLARATION.

County of Cook, State of Illinois, ss:

THOMAS M. AVERY, being duly sworn, deposes and says that he is an officer of the ELGIN NATIONAL WATCH COMPANY before named; that he verily believes that the foregoing statement is true; that said company has at this time a right to the use of the trade-mark therein described; that no other person, firm, or corporation has the right to such use, either in the identical form or in any such near resemblance thereto as might be calculated to deceive; that the trade-mark is used by said corporation in commerce between the United States and foreign nations or Indian tribes, and particularly with Great Britain, France, Belgium, Austria, Germany, and Russia; that the description and fac-simile presented for record truly represent the trade-mark sought to be registered, and that he is a citizen of the United States.

THOMAS M. AVERY.

Sworn before me this 17th day of May, A.D. 1892.

[L. S.] D. WILEY McCAUGHEY,
Notary Public for Cook County, State of Illinois.

TRADE-MARK.

ELGIN NATIONAL WATCH COMPANY.

Watches.

No. 21,464. **Registered July 19, 1892.**

ELGIN NATIONAL WATCH CO.

WITNESSES:

JAS. E. HUTCHINSON.

HENRY C. HAZARD.

PROPRIETORS.

ELGIN NATIONAL WATCH CO., by

PRINDLE AND RUSSELL, its Attorneys.

UNITED STATES PATENT OFFICE.

ELGIN NATIONAL WATCH COMPANY, OF CHICAGO, ILLINOIS.

TRADE-MARK FOR WATCHES.

STATEMENT and DECLARATION of Trade-Mark No. 21,464, registered July 19, 1892.

Application filed June 10, 1892.

STATEMENT.

To all whom it may concern:

Be it known that the ELGIN NATIONAL WATCH COMPANY, a corporation created under the laws of the State of Illinois, and doing business at Chicago, in the county of Cook and State of Illinois, has adopted for its use a Trade-Mark for Watches, of which the following is a full, clear, and exact description.

Said trade-mark consists of the words and abbreviation "Elgin National Watch Co.," as shown by the accompanying fac-simile, in which said words appear printed in plain block letters on a horizontal line; but the type and form of printing can be changed, as desired, without materially altering the character of the trade-mark, the essential feature of which is the words "ELGIN NATIONAL WATCH CO."

The class of goods to which the trade-mark is appropriated is time-keeping instruments, and the particular description of goods comprised in said class upon which the said company has used it is watches.

This trade-mark is affixed to the plate or plates or to the dial of the watch by stamping, engraving, or in any other well-known manner, and is also used in circulars, illustrated catalogues, labels, brands, &c., or in any well-known manner for the purpose of advertising the company's particular classes of goods.

This trade-mark has been used in the business of said company since February, 1874.

In testimony whereof said company hereunto affixes its seal this 17th day of May, A. D. 1892.

[L. S.] ELGIN NATIONAL WATCH CO.,
By THOMAS M. AVERY,
President of said Co.

Witnesses:
GEO. S. PRINDLE,
WM. GEO. PRALL.

DECLARATION.

County of Cook, State of Illinois, ss:

THOMAS M. AVERY, being duly sworn, deposes and says that he is an officer of the ELGIN NATIONAL WATCH COMPANY, the applicant named in the statement filed in the above-entitled application; that he verily believes that the said statement is true; that the said company has at this time a right to the use of the trade-mark therein described; that no other person, firm, or corporation has the right to such use, either in the identical form or in any such near resemblance thereto as might be calculated to deceive; that it has been used by said company in commerce between the United States and foreign nations or Indian tribes, and particularly with Great Britain, France, Belgium, Austria, Russia, and Germany; that the description and fac-simile presented for record truly represent the trade-mark sought to be registered, and that he is a citizen of the United States.

THOMAS M. AVERY.

Sworn before me this 23rd day of June, A. D. 1892.

[L. S.] D. WILEY McCAUGHEY,
Notary Public.

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TRADE-MARK.

ELGIN NATIONAL WATCH COMPANY.

Watches.

No. 21,465. **Registered July 19, 1892.**

ELGIN WATCH CO.

WITNESSES:

JAS. E. HUTCHINSON.
HENRY C. HAZARD.

PROPRIETORS.

ELGIN NATIONAL WATCH CO., by
PRINDLE AND RUSSELL, its Attorneys.

UNITED STATES PATENT OFFICE.

ELGIN NATIONAL WATCH COMPANY, OF CHICAGO, ILLINOIS.

TRADE-MARK FOR WATCHES.

STATEMENT and DECLARATION of Trade-Mark No. 21,465, registered July 19, 1892.

Application filed June 10, 1892.

STATEMENT.

To all whom it may concern:

Be it known that the ELGIN NATIONAL WATCH COMPANY, a corporation created under the laws of the State of Illinois, and doing business at Chicago, in the county of Cook and State of Illinois, has adopted for its use a Trade-Mark for Watches, of which the following is a full, clear, and exact description.

Said trade-mark consists of the words and abbreviation "Elgin Watch Co.," as shown by the accompanying fac-simile, in which said words and abbreviation appear printed in plain block letters on a horizontal line; but other forms of type may be employed and the letters may be differently arranged or colored without materially altering the character of said trade-mark, the essential feature of which is the words and abbreviation "ELGIN WATCH CO."

The class of merchandise to which the trade-mark is appropriated is time-keeping instruments, and the particular description of goods comprised in said class upon which said company has used it is watches.

This trade-mark is affixed to the plate or plates or to the dial of the watch by stamping, engraving, or in any other well-known manner, and is also used in circulars, illustrated catalogues, labels, brands, &c., or in any well-known manner for the purpose of advertising the company's particular classes of goods.

This trade-mark has been used in the business of said company since October, 1873.

In testimony whereof said company hereunto affixes its seal this 17th day of May, A. D. 1892.

[L. S.] ELGIN NATIONAL WATCH CO.,
By THOMAS M. AVERY,
President of said Co.

Witnesses:
GEO. S. PRINDLE,
WM. GEO. PRALL.

DECLARATION.

County of Cook, State of Illinois, ss:

THOMAS M. AVERY, being duly sworn, deposes and says that he is an officer of the ELGIN NATIONAL WATCH COMPANY before named; that he verily believes that the foregoing statement is true; that said company has at this time a right to the use of the trade-mark therein described; that no other person, firm, or corporation has the right to such use, either in the identical form or in any such near resemblance thereto as might be calculated to deceive; that it is used by said corporation in commerce between the United States and foreign nations or Indian tribes, and particularly with Great Britain, France, Belgium, Austria, Germany, and Russia; that the description and fac-simile presented for record truly represent the trade-mark sought to be registered, and that he is a citizen of the United States.

THOMAS M. AVERY.

Sworn before me this 17th day of May, A. D. 1892.

[L. S.] D. WILEY McCAUGHEY,
Notary Public for Cook County, State of Illinois

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TRADE-MARK.

ILLINOIS WATCH CASE COMPANY.

Cases for Watches.

No. 23,893. **Registered Dec. 5, 1893.**

ELGIN TIGER

WITNESSES.

G. CARLETON BROWN.
SAMUEL E. HIBBEN

PROPRIETOR.

ILLINOIS WATCH CASE CO.
By THOMAS F. SHERIDAN
Attorney

UNITED STATES PATENT OFFICE.

ILLINOIS WATCH CASE COMPANY, OF ELGIN, ILLINOIS.

TRADE-MARK FOR CASES FOR WATCHES.

STATEMENT and DECLARATION of Trade-Mark No. 23,893, registered December 5, 1893.

Application filed August 10, 1893.

STATEMENT.

To all whom it may concern:

Be it known that the ILLINOIS WATCH CASE COMPANY, a corporation organized under the laws of the State of Illinois, and located in the city of Elgin, Kane county, in said State, and doing business in said city of Elgin, has adopted for its use a Trade-Mark for Watch Cases, of which the following is a full, clear, and exact specification.

As shown in the accompanying drawings, the trade mark of said company consists of the words "Elgin Tiger." These have generally been arranged as shown in the drawings, the words "Elgin Tiger" being in plain capital letters. But a scroll may be used and the various accessories varied at pleasure without materially altering the character of the said trade mark, the essential feature of which is the words "ELGIN TIGER."

This trade mark has been continuously used by said corporation since about the 1st of June, 1887.

The class of merchandise to which this trade mark is appropriated is cases for time keeping instruments, and the particular description of the goods in such class on which it is used by the said company is cases for watches. It is usually affixed to the goods by stamping or engraving on the interior of the back of the cases.

ILLINOIS WATCH CASE CO.,
By M. C. EPPENSTEIN,
President.

Witnesses:
ALSTON C. COY,
SOL C. EPPENSTEIN.

DECLARATION.

State of Illinois, county of Cook, ss.

MAX C. EPPENSTEIN, being duly sworn, deposes and says that he is president of the corporation, the applicant named in the foregoing statement; that he verily believes that the foregoing statement is true; that it has at this time a right to the use of the trade mark therein described; that no other person, firm or corporation has a right to such use, either in the identical form or in any such near resemblance thereto as might be calculated to deceive; that the same is used by it in commerce between the United States and foreign nations or Indian tribes, and particularly with the Dominion of Canada; and that the description and fac simile presented for record truly represent the trade mark sought to be registered.

MAX C. EPPENSTEIN.

Sworn to and subscribed before me, at Chicago, this 11th day of July, 1893.

[L. S.] SAMUEL E. HIBBEN,
Notary Public.

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TRADE-MARK.

ILLINOIS WATCH CASE COMPANY.

Watchcases.

No. 24,436. **Registered Apr. 3, 1894.**

ELGIN GIANT.

WITNESSES.

SAMUEL E. HIBBEN

ANNIE C. COURTENAY.

PROPRIETOR.

ILLINOIS WATCH CASE COMPANY.

By THOMAS F. SHERIDAN

Attorney.

UNITED STATES PATENT OFFICE.

ILLINOIS WATCH CASE COMPANY, OF ELGIN, ILLINOIS.

TRADE-MARK FOR WATCHCASES.

STATEMENT and DECLARATION of Trade-Mark No. 24,436, registered April 3, 1894.

Application filed March 5, 1894.

STATEMENT.

To all whom it may concern:

Be it known that the ILLINOIS WATCH CASE COMPANY, (successor to the good-will and business of watchcase-making of M. C. Eppenstein & Co., of Chicago, Cook county, Illinois,) a corporation existing under and by virtue of the laws of the State of Illinois, and located in the city of Elgin, Kane county, in said State, and doing business in said city of Elgin, has adopted for its use a Trade-Mark for Watchcases, of which the following is a specification.

As shown in the accompanying drawings, the trade mark of said company consists of the words "Elgin Giant." These words have generally been arranged as shown in the drawings, by printing "Elgin Giant" in plain capital letters in a straight line—but such arrangement or printing of the words may be varied as desired without materially altering the character of said trade-mark, the essential feature of which is the words "ELGIN GIANT."

This trade mark has been continuously used by said corporation since about the 1st of June, 1891.

The class of merchandise to which this trade-mark is appropriated is cases for timekeeping instruments, and the particular description of the goods of such class on which it is used by the said corporation is cases for watches. It is usually affixed to the goods by stamping, engraving or in any other well known manner on the interior of the back of the case. It is also used in circulars, illustrated catalogues and letter-heads for the purpose of advertising the corporation's particular class of goods.

ILLINOIS WATCH CASE CO.,
By MAX. C. EPPENSTEIN,
President.

Witnesses:
SAMUEL E. HIBBEN,
THOMAS F. SHERIDAN.

DECLARATION.

State of Illinois, county of Cook, ss.

MAX. C. EPPENSTEIN, being duly sworn, deposes and says that he is president of the corporation, the applicant named in the foregoing statement; that he verily believes that the foregoing statement is true; that it has at this time a right to the use of the trade mark therein described; that no other person, firm or corporation has a right to such use, either in the identical form or in any such near resemblance thereto as might be calculated to deceive; that the same is used by it in commerce between the United States and foreign nations or Indian tribes, and particularly with the Dominion of Canada; and that the description and fac simile presented for reference truly represent the trade mark sought to be registered.

MAX. C. EPPENSTEIN.

Sworn to and subscribed before me, at Chicago, this 14th day of February, 1894.

[L. S.] SAMUEL E. HIBBEN,
Notary Public.

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359 CLERK'S CERTIFICATE. Clerk's Certificate

NORTHERN DISTRICT OF ILLINOIS, } ss.
NORTHERN DIVISION, }

I, S. W. Burnham, Clerk of the Circuit Court of the United States for the Northern District of Illinois, do hereby certify the above and foregoing to be a true and complete transcript of the record of all the proceedings had in said Court in the cause wherein Elgin National Watch Company, is the complainant and Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham, are the defendants, as the same appear from the original records and files of said Court now remaining in my custody and control.

[SEAL.] In testimony whereof, I have hereunto set my hand and affixed the seal of said Court at my office in Chicago, in said District this 7th day of June, 1898.

S. W. BURNHAM, Clerk.

IN THE CIRCUIT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS—NORTHERN DIVISION. Stipulation.

Elgin National Watch Company,
vs.
Illinois Watch Case Company, Thomas W. Duncan & Myer Abraham. } 23974.

The Clerk of said Court will please make a transcript of the following proceedings had in the above entitled cause, for use in the United States Circuit Court of Appeals for the Seventh Circuit:

Bond for Costs.
Bill of Complaint.
Subpœna.
Appearance.
Demurrer.
Order of May 1, 1896.
Order of July 11, 1896.
Answer.
Replication.
Order of June 21, 1897.
Opinion.

Stipulation.

Order of April 12, 1898.
Amended Bill.
Decree of April 28, 1898.
Motion to Amend Decree.
Order of April 27, 1898.
Petition for Appeal and Assignment of Errors.
Order Allowing Appeal, May 14, 1898.
Appeal Bond.

COMPLAINANT'S PRIMA FACIE EVIDENCE.

Deposition of Geo. Hunter.
" " John M. Cutter.
" " Julius Schnering.
" " Samuel W. Dripps.
" " James L. Rowe.
" " Thomas W. Duncan.
" " Jno. P. Owen.
" " Leo Hettich.
" " Fred G. Thearle, Jr.
" " Louis H. Schafer.
" " Geo. S. Prindle.
" " Geo. E. Hunter.
" " O. C. Hansen.
" " John Schaub.
" " John M. Cutter (recalled).
" " Henry M. Carle.
" " Henry M. Carle (recalled.)
" " Geo. Weidig.
" " Samuel C. Payson.
" " Geo. S. Prindle (recalled).
Motion to Suppress Testimony.

DEFENDANTS' EVIDENCE.

Deposition of Thomas F. Sheridan.
" " Thomas W. Duncan.
" " Thomas W. Duncan (recalled).

COMPLAINANT'S REBUTTAL EVIDENCE.

Deposition of John M. Cutter.
" " Robert W. Reid.

COMPLAINANT'S EXHIBITS.

Stipulation.

Certificate of Trade-Mark.
Act of Incorporation.
Change of Corporate Name.
Photograph of Works of Ills. Watch Case Co.
Defendants' Elgin Commander Watch Case.
Defendants' Elgin Tiger Watch Case.
Defendants' Elgin Commander Trade-Mark.
Defendants' Elgin Tiger Trade-Mark.
Defendants' Elgin Giant Trade-Mark.
Bloomingdale Advertisement.
Manson Letter.
Manson Newspaper Slips.
Elgin National Watch Company's Bicycle Correspondence.
Evening Star.
Defendants' Bicycle Catalogue.
Elgin Watch Company's Notification to Defendants.
Judge Horton's Opinion.
Defendants' Elgin Giant Watch-Case.
Photograph of Rear View of Defendants' Factory.
Photograph of Works of Elgin National Watch Company.
Elgin Original Registration.
Second Elgin Registration.
Elgin Daily News Article.

DEFENDANTS' EXHIBITS.

Certificate of Registry of Trade-Mark "Lady Elgin."
Certificate of Registry of Trade-Mark "Elgin Watch Co."
Certificate of Registry of Trade-Mark "Elgin, Ills."
Certificate of Registry of Trade-Mark "Elgin National Watch Co."
File-Wrapper & Contents of Trade-Mark "Elgin" No. 9,810.
File-Wrapper & Contents of Trade-Mark "Elgin" No. 21,462.
Clerk's Certificate.
Citation.

BANNING & BANNING,
Defendants' Solicitors.

Citation.

UNITED STATES OF AMERICA, ss.

The President of the United States, to Elgin National Watch Company, Greeting:

You are hereby cited and admonished to be and appear at a United States Circuit Court of Appeals, for the Seventh Circuit, to be holden at Chicago within thirty days from the date hereof, pursuant to an appeal filed in the Clerk's Office of the Circuit Court of the United States for the Northern District of Illinois, Northern Division, wherein Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham are appellants, and you are appellee, to show cause, if any there be, why the decree rendered against the said appellant as in the said writ of error mentioned, should not be corrected, and why speedy justice should not be done to the parties in that behalf.

Witness the Honorable John W. Showalter, Judge of the Circuit Court of the United States, this 14th day of May, in the year of our Lord one thousand eight hundred and ninety-eight.

JOHN W. SHOWALTER,
Circuit Judge.

Service accepted this 14th day of May, 1898.

L. HILL,
Of Counsel for Appellee.

(Endorsed): Filed May 14, 1898. S. W. Burnham, Clerk.

Order extending time to docket.

UNITED STATES CIRCUIT COURT, NORTHERN DISTRICT OF ILLINOIS, NORTHERN DIVISION.

Friday, June 10, 1898.

Present, Honorable John W. Showalter, Circuit Judge.

Elgin National Watch Company
vs.
Illinois Watch Case Company, Thomas W. Duncan and Myer Abraham. } In Chancery.

Now, come the defendants by Messrs. Banning & Banning, their solicitors, and, upon good cause shown, it is hereby ordered that the time for the defendants to file their transcript of record in the Circuit Court of Appeals for the Seventh Circuit be, and the same is hereby extended thirty days from the 12th instant.

259 At a regular term of the United States circuit court of appeals for the seventh circuit, begun and held at the United States court-rooms, in the city of Chicago, in said seventh circuit, on Monday, the fourth day of October, 1897, of the October term, in the year of our Lord one thousand eight hundred and ninety-seven, and of our Independence the one hundred and twenty-second.

At a regular term of the United States circuit court of appeals for the seventh circuit, begun and held at the United States court-rooms, in the city of Chicago, in said seventh circuit, on Monday, the third day of October, 1898, of the October term, in the year of our Lord one thousand eight hundred and ninety-eight, and of our Independence the one hundred and twenty-third.

And afterwards, to wit, on the third day of October, 1898, in the October term last aforesaid, the following proceedings were had and entered of record, to wit:

260 MONDAY, *October* 3, 1899.

Before Hon. William A. Woods, circuit judge; Hon. James G. Jenkins, circuit judge; Hon. John W. Showalter, circuit judge.

ILLINOIS WATCH CASE COMPANY ET AL.
vs.
ELGIN NATIONAL WATCH COMPANY. } 525.

Appeal from the circuit court of the United States for the northern district of Illinois, northern division.

It is now here ordered that this cause be, and the same is hereby, set down for hearing Friday, November 11, 1899.

And afterwards, to wit, on the fourth day of November, 1898, in the October term last aforesaid, the following further proceedings were had and entered of record, to wit:

FRIDAY, *November* 4, 1898.

Present: Hon. William A. Woods, circuit judge; Hon. James G. Jenkins, circuit judge; Hon. John W. Showalter, circuit judge; Hon. Romanzo Bunn, district judge.

Order.

It is ordered by the court that Romanzo Bunn, judge of the district court of the United States for the western district of
261 Wisconsin, be, and is hereby, designated and assigned to sit in this court as a member thereof during the present session. Thereupon said Bunn appeared and took his seat as a member of said court.

And afterwards, to wit, on the tenth day of November, 1898, in the October term last aforesaid, the following further proceedings were had and entered of record, to wit:

THURSDAY, *November* 10, 1898.

Present: Hon. William A. Woods, circuit judge; Hon. James G. Jenkins, circuit judge; Hon. John W. Showalter, circuit judge; Hon. Romanzo Bunn, district judge.

Before Hon. William A. Woods, circuit judge; Hon. James G. Jenkins, circuit judge; Hon. John W. Showalter, circuit judge.

ILLINOIS WATCH CASE COMPANY ET AL.
vs.
ELGIN NATIONAL WATCH COMPANY. } 525.

Appeal from the circuit court of the United States for the northern district of Illinois, northern division.

It is ordered by the court that this cause be, and the same is hereby, reset down for hearing November 30, 1898.

262 And afterwards, to wit, on the thirtieth day of November, 1898, in the October term last aforesaid, the following further proceedings were had and entered of record, to wit:

WEDNESDAY, *November* 30, 1898.

Before Hon. William A. Woods, circuit judge; Hon. James G. Jenkins, circuit judge; Hon. Romanzo Bunn, district judge.

ILLINOIS WATCH CASE COMPANY ET AL.
vs.
ELGIN NATIONAL WATCH COMPANY. } 525.

Appeal from the circuit court of the United States for the northern district of Illinois, northern division.

Now, this day, come the parties, by their counsel, and this cause now comes on to be heard on the printed record and briefs of counsel and on oral argument by Mr. Ephraim Banning, counsel for appellant, and by Mr. Lysander Hill, counsel for appellee, and the court, having heard the same, takes this matter under advisement

And afterwards, to wit, on the sixth day of June, 1899, in the October term last aforesaid, there was filed in the office of the clerk of this court the opinion of the court in said entitled cause, said opinion being in the words and figures following, to wit:

263 In the United States Circuit Court of Appeals for the Seventh Circuit.

ILLINOIS WATCH CASE COMPANY, Thomas W. Duncan, and Mayer Abraham, Appellants,
vs.
ELGIN NATIONAL WATCH COMPANY.

No. 525. Appeal from the Circuit Court of the United States for the Northern District of Illinois.

Before Woods and Jenkins, circuit judges, and Bunn, district judge.

The appellee, The Elgin National Watch Company, filed its bill in equity in the court below, setting forth that it was a corporation organized under the laws of the State of Illinois and having its principal place of business at Elgin and its office at Chicago, in that State; that the defendant, The Illinois Watch Case Company, is a corporation created and organized under the laws of the State of Illinois and having its principal place of business at Elgin, in that State; that the other defendants named were citizens of the State of Illinois and were respectively, the defendant Duncan, president, treasurer and superintendent, and the defendant Abrahams, secretary of the Illinois Watch Case Company. That prior to April 11, 1868, the complainant engaged in manufacturing watches at Elgin, then a small town containing no other manufactory of watches or watch cases; that the complainant built up a large business in such manufacture, and that the watches and watch move-
264 ments so made by complainant have become known all over the world and have been largely sold and used both in the United States of America and in foreign countries; that before that date the complainant had adopted the word "Elgin" as a trade-mark for its watches and watch movements; which word was marked upon the watches and watch movements, both those which entered into commerce in this country and those exported to and sold in foreign countries, and that the complainant's watches became known all over the world as Elgin watches, which word declared their origin and source as a product of the complainant's manufacture, and they became known from those of all other watches by the distinguishing word or trade-mark "Elgin," which word, at the time of its adoption, had been appropriated by no other person, firm or corporation as a trade-mark or designation of goods. This trade-mark the complainant caused to be registered on the 19th day of July, 1892, under the act of Congress relating to the registration of trade-marks, approved March 3rd, 1881 (21 Stat., 502). That the defendants have infringed upon the rights of the complainant by engraving or otherwise affixing the word "Elgin" to watch cases made and sold by them; that such watch cases are adapted to receiving watch movements of different construction from those made by the complainant; that inferior watch movements are liable to be and often are encased in them, and when so encased the entire watch, including both movement and case, appears upon the market with the word "Elgin" upon it, thereby leading the public to believe that such watch as an entirety was

made by the complainant, and enabling parties unlawfully using the word "Elgin" to profit by the great reputation of the complainant, to palm off other and inferior goods as the goods made by the complainant, to injure the reputation of the complainant as a watchmaker and to deprive it of a portion of the business and patronage which it would otherwise receive from the public. The prayer of the bill is for an injunction to restrain defendants "from directly or indirectly making or selling any watch case or watch cases marked with your orator's said trade-mark and from using your orator's said trade-mark in any way upon watches or watch cases, or in the defendants' printed advertisements, circulars, labels or on boxes or packages in which the said watch cases are put up or exposed for sale." A demurrer interposed to this bill, being overruled, defendants answered, denying the legality of the registration of the trade-mark, denying the right of the complainant to the exclusive use of the word as a trade-mark, asserting that they had never manufactured or sold, or offered for sale, watches or watch movements, but that they manufactured at Elgin watch cases only,
265 and that the complainant had never manufactured or sold watch cases with the word "Elgin" upon them; that the business of the two corporations are distinct and separate the one from the other, and that whenever the defendant company had used the name "Elgin" it had usually, if not invariably been done, in connection with some other word as "Elgin Giant," or "Elgin Commander," or "Elgin Tiger," or some other word used in combination with the word "Elgin" or "Elgin, Illinois;" that the company has seldom, if at all, used the word "Elgin" alone or separately as registered by the complainant upon goods exported to foreign nations or used in foreign commerce, but only in domestic commerce and to inform the public of the place where the watch cases of the defendant company were manufactured; that such watches were sold upon a guaranty running for a number of years, so that it became necessary to inform purchasers of the city where the defendant company was carrying on its business that purchasers might be able to find the company in case it became necessary to call upon it to make good its guaranty; that the term "Elgin" is a geographical name, indicating the name of a prominent manufacturing city, and that any manufacturer of watches, watch movements or watch cases, is at liberty to locate or carry on his business thereat, and that the name may not be appropriated by any single manufacturing person, firm or corporation, but is open as a common right to the use of any person carrying on business at that city. To this answer there was a general replication, and upon proofs taken the parties proceeded to a hearing. By leave of the court at or immediately after the hearing and before decree, the complainant amended its bill, alleging that the watch cases so manufactured and marked by the defendants in violation of the complainant's right "are intended by the defendants to be sold in foreign countries and are in fact exported to and sold in foreign countries." A decree passed for the complainant, that the use of the word "Elgin," whether alone or in connection with other words, was a violation and infringement of

the complainant's exclusive rights in the premises, and that an injunction issue restraining the use of the word "Elgin" alone or in connection with other words or devices upon watches or watch cases, or upon packages containing watches or watch cases, going into commerce with foreign nations or with the Indian tribes, in such a way as to be liable to cause purchasers or others to mistake said watches or watch movements encased in such watch cases for watches or watch movements manufactured by the complainant. The opinion of the court below is reported, Elgin National Watch Company *v.* Illinois Watch Case Company, Thomas W. Duncan, and Myer Abraham, 89 Fed Rep., 487.

266 JENKINS, circuit judge, upon this statement of the case delivered the opinion of the court:

It was ruled in Trade-mark cases, 100 U. S., 82, that the act of Congress approved August 14, 1876 (19 Stat., 141), was void for want of constitutional authority, but the court expressly left the question undecided "whether the trade-mark bears such a relation to commerce in general terms as to bring it within congressional control when used and applied to the classes of commerce which fall within that control." That the Congress had no power under the commerce clause of the Constitution to regulate the subject was ruled by the circuit court of the United States for the eastern district of Wisconsin in Leidersdorf *v.* Flint, 8 Bissell, 327. This is the only direct adjudication upon that question. Following the decision of the Supreme Court in the Trade-mark cases, the Congress of the United States enacted the present law, act of March 3, 1881 (21 Stat., 502), limiting its operations to trade-marks used in commerce with foreign nations or with the Indian tribes. There has been no ruling upon the constitutionality of this act, and it need only be said that its validity is fairly doubtful.

The appellee, the complainant below, by its bill asserts and seeks to maintain its right to the use of the word "Elgin" as a trade-mark, claiming that right as one arising under Federal law. It is, of course, clear that this bill cannot be sustained, all of the parties to it being citizens of the same State, unless its right can be sustained as one arising under the laws of the United States. The statute does not define what shall constitute a trade-mark. To determine, therefore, what that trade-mark is which is protected by this statute, we must be referred to the common law. It is not now a question, that no one can acquire an exclusive right to the use of geographical names as trade-marks. Canal Company *v.* Clarke, 13 Wallis, 323; Lawrence Manufacturing Company *v.* Tennessee Manufacturing Company, 138 U. S., 547; Brown Chemical Company *v.* Meyer, 139 U. S., 542; Columbia Mill Company *v.* Alcorn, 150 U. S., 464; Pillsbury-Washburn Flour Mills Company *v.* Eagle, 58 U. S. Appeals, 490; Glendon Iron Company *v.* Uhler, 75 Penn. St., 467; Elgin Butter Company *v.* Elgin Creamery Company, 155 Ill., 136. In Columbia Mills Company *v.* Alcorn, *supra*, the court observes that, "the word 'Columbia' is not a subject of exclusive appropriation, under the general rule that a word or words in common use as designating

locality or section of country, cannot be appropriated by any one as his exclusive trade-mark. * * * The appellant was no more entitled to the exclusive use of the word "Columbia" as a
267 trade-mark, than he would have been to the use of the word "America" or the "United States" or "Minnesota" or "Minneapolis." These merely geographical names cannot be appropriated or be made the subject of exclusive property; they do not in and of themselves indicate anything in the nature of origin, manufacture or ownership."

But while one cannot obtain the exclusive right to use a geographical name as a trade-mark, and cannot make a trade-mark of his own name to deprive another of the same name from using it in his business, that other may not resort to artifice to do that which is calculated to mislead the public as to the identity of the business or of the article produced and so create injury to the other beyond that which results from the similarity of name. There are a large number of cases in which this principle has been declared. Croft *v.* Day, 7 Beavan, 84; Holloway *v.* Holloway, 13 Beavan, 239; Wotherspoon *v.* Currie, L. R. 5 H. L., 508; Thompson *v.* Montgomery, 41 Ch. D., 35; Reddaway *v.* Banham (1896), A. C., 199; Lawrence Manufacturing Company *v.* Tennessee Manufacturing Company, 138 U. S., 537; Brown Chemical Company *v.* Meyer, 139 U. S., 540; Coates *v.* Merrick Thread Company, 149 U. S., 562; Singer Manufacturing Company *v.* June Manufacturing Company, 163 U. S., 169, 186; The American Waltham Watch Company *v.* United States Watch Company, supreme court Mass., March, 1899, as yet unreported. We have spoken to the same effect and with no uncertain sound. Meyer *v.* Dr. B. L. Bull Vegetable Medicine Company, 18 U. S. App., 372, 379; Pillsbury *v.* Pillsbury-Washburn Flour Mills Company, Limited, 24 U. S. App., 395; Pillsbury, Washburn Flour Mills Company, Limited, *v.* Eagle, 58 U. S. App., 490; Kathreiner Malz Kaffe Fabriken mit Beschraenkter Haftung *v.* Pastor Kneipp Medicine Company, 53 U. S. App., 425; Johnson *v.* Bauer, *ib.*, 437; Raymond *v.* Royal Baking Powder Company, 55 U. S. App., 575. This class of cases does not proceed upon the ground of an infringement of a trade-mark, but upon the ground of fraud, and that equity will not permit one, aside from any question of trade-mark, to palm off his goods as the goods of another and so deceive the public and injure that other. It is not necessary in such cases, in order to give a right to an injunction, that a specific trade-mark should be infringed: McLean *v.* Flemming, 96 U. S., 245, 250; but that the conduct of the party should show an intent to palm off his goods as the goods of another. The allegations respecting trade-marks are in such cases only "regarded as matter of inducement leading up to the question of actual fraud." The court below sustained this bill upon the ground that the word "Elgin" had
268 acquired a secondary signification and through a long course of business had come, as applied to watches, to designate the manufacture of the appellee and as an article of approved excellence, and that therefore the word in that connection performed distinctly the function of a trade-mark and could be registered and

upheld as a trade-mark under the act of Congress. In this we think there was error. The word "Elgin" was not and could not be made a trade-mark. The fact that the word had acquired that signification, might be forceful if the word was shown to be used to palm off the goods of one as the goods of another, which, coupled with other evidence evincing intent to mislead and to defraud, would be operative to move a court of equity to prevent the wrong. It is said that the evidence in this case is of that persuasive character which irresistibly leads to the conclusion that here was such gross fraud that a court of equity should not stay its hand, but should enjoin the guilty party from further deception and wrong. Unfortunately, however, if we should concur with counsel to the full extent of his contention, we are, as we think, without jurisdiction to grant relief; or, to say the least, that jurisdiction is of so doubtful a nature and so limited in extent and under an act of doubtful constitutionality, that we must decline to exercise it. The right of the appellee arises under the act of Congress and is limited to a trade-mark. By the statute the right of action is given to him to recover damages "for the wrongful use of said trade-mark," or he may have his remedy according to the course of equity, "to enjoin the wrongful use of such trade-mark used in foreign commerce or commerce with the Indian tribes." It is only by virtue of that statute and for the protection of a right arising under the Federal law, that the appellee has standing in the Federal court, for all the parties to this suit are citizens of the same State. The remedy in equity for fraud to which we first referred, is one which existed before the statute and is not given by it. It was not applied to protect the infringement of a trade-mark, but recognizing the invalidity of the supposed trade-mark was applied for the prevention of fraud; and that a Federal court may have jurisdiction in such a case we think there must exist and appear from the record the necessary diverse citizenship of the parties.

It may also be remarked that this bill is not framed upon any theory of fraud or fraudulent conduct upon the part of the defendants thereto, except as it is to be inferred from the use of the complainant's registered trade-mark. It is not alleged that they have ever represented or sold their goods as the goods manufactured by the complainant. The one is a manufacturer of watch
269 movements, the other of watch cases. To be sure, it is claimed, and possibly is established by the proof, that the watch cases of the appellants have been used by dealers to contain watch movements of inferior quality to those made by the appellee and possibly the purchaser deceived into believing that he had purchased a watch manufactured by the appellee. But this is not charged to have been done by the appellants or with their knowledge or consent, or that they have entered into any scheme or combination to impose upon the public. The only imposition suggested is the possibility that from the general reputation of the watches manufactured by the appellee and their known designation as Elgin watches, confusion is likely to result and the purchaser be induced to purchase the one article when he desires another. That might

result from the lawful use of a geographical name, and is without remedy unless coupled with fraud upon the part of the appellants or those acting for and under them. However strong, the proof must respond to the allegations of the bill; so that whether we consider the case from the standpoint of jurisdiction or from the case made by the bill, we are constrained to the conclusion that the decree below was erroneous. The courts of the State furnish ample remedy for the wrong, if any, under which the appellee suffers. We have no right to redress or prevent trespass upon the common-law rights of the appellee, the citizenship of the parties forbidding jurisdiction. If it were allowable to us to assume jurisdiction to grant equitable relief upon the ground of fraud, if the bill were aptly framed to that end, the relief could only extend in restraint of the wrong, so far as it affected foreign commerce and commerce with the Indian tribes. The proofs show that such commerce in the case before us has been so slight as to be practically immaterial, and that the real controversy is concerning State and interstate commerce in the manufactured article. Complete remedy for the wrongs suffered by the appellee can only be given in the courts of the State in which the parties are resident. It is therefore not becoming, as we think, to assume a doubtful jurisdiction under a statute of doubtful validity.

The decree is reversed and the cause remanded with direction to the court below to dismiss the bill.

270 And afterwards, on the same day, to wit, on the sixth day of June, 1898, in the October term last aforesaid, the following further proceedings were had and entered of record, to wit:

TUESDAY, *June* 6, 1899.

Present: Hon. Henry B. Brown, circuit justice; Hon. William A. Woods, circuit judge; Hon. James G. Jenkins, circuit judge.

Before Hon. William A. Woods, circuit judge; Hon. James G. Jenkins, circuit judge; Hon. Romanzo Bunn, district judge.

ILLINOIS WATCH CASE COMPANY ET AL.
vs.
ELGIN NATIONAL WATCH COMPANY. } 525.

Appeal from the circuit court of the United States for the northern district of Illinois, northern division.

This cause came on to be heard on the transcript of record from the circuit court of the United States for the northern district of Illinois, and was argued by counsel.

On consideration whereof it is now here ordered, adjudged, and decreed by this court that the decree of the said circuit court in this cause be, and the same is hereby, reversed with costs, and that this cause be, and the same is hereby, remanded to the said circuit court, with direction to dismiss the bill.

271 And afterwards, to wit, on the sixth day of June, 1899, in the October term last aforesaid, came the appellee, by its counsel, Messrs. Prindle and Russel, and filed in the office of the clerk of this court its petition for appeal to the Supreme Court of the United States; which petition for appeal is in the words and figures following, to wit:

Petition for Appeal.

United States Circuit Court of Appeals for the Seventh Circuit.

ILLINOIS WATCH CASE COMPANY, THOMAS W. DUNCAN, and Myer Abraham, Appellants,
vs.
ELGIN NATIONAL WATCH COMPANY, Appellee.
} In Equity.

The above-named appellee, conceiving itself aggrieved by the decree entered on the 6th day of June, 1899, in the above-entitled cause, hereby appeals from said decree to the Supreme Court of the United States, and prays that this its appeal may be allowed, and that a transcript of the record, proceedings, and papers upon which said decree was entered, duly authenticated, shall be sent to the Supreme Court of the United States, and that this court shall fix the amount of the appeal bond in such case.

ELGIN NATIONAL WATCH CO.,
By PRINDLE AND RUSSELL,
Solicitors and of Counsel.

Endorsed: Filed Jun- 6, 1899. Edward M. Holloway, clerk.

271½ And afterwards, on the same day, to wit, on the 6th day of June, 1899, in the October term last aforesaid, the following further proceedings were had and entered of record:

TUESDAY, *June* 6, 1899.

Present: Hon. Henry B. Brown, circuit justice; Hon. William A. Woods, circuit judge; Hon. James G. Jenkins, circuit judge.

Now come the appellees, by their counsel, Mr. Lysander Hill, and present their petition for appeal to the Supreme Court of the United States from the decree entered herein on this the 6th day of June, 1899, and move the court that the same be granted.

On consideration whereof it is ordered by the court that said appeal be allowed upon the appellees filing a bond in the penal sum of five hundred dollars, with security to be approved by the clerk of this court.

272 And afterwards, on the same day, to wit, on the sixth day of June, 1899, in the October term last aforesaid, came the appellee, by its counsel, Messrs. Prindle and Russell and Mr. Lysander Hill, and filed in the office of the clerk of this court its assignment of errors; which assignment of errors is in the words and figures following, to wit:

Assignment of Errors.

United States Circuit Court of Appeals for the Seventh Circuit.

ILLINOIS WATCH CASE COMPANY, THOMAS W. DUNCAN, and MYER ABRAHAM, Appellants,
vs.
ELGIN NATIONAL WATCH COMPANY, Appellee.
} In Equity.

And now comes the Elgin National Watch Company, by Lysander Hill and Prindle & Russell, its solicitors and counsel, and says that in the record and proceedings in the above-entitled case there is manifest error in this, to wit:

1. The United States circuit court of appeals for the seventh circuit erred in holding that the circuit court of the United States for the northern district of Illinois had no jurisdiction of this cause.

2. Also in not affirming the final decree of said circuit court in this cause.

273 3. Also in decreeing that the cause be remanded, with directions to dismiss the bill.

4. Also in holding that the act of Congress approved March 31, 1891 (21 St. at L., p. 502, chap. 138), entitled "An act to authorize the registration of trade-marks and protect the same," is of doubtful constitutionality.

5. Also in holding, in substance and effect, that in the proofs in this cause and the law applicable thereto the appellee was not entitled, under the provisions of said act, to register the word "Elgin" as a trade-mark for watches.

PRINDLE AND RUSSELL,
Solicitors and of Counsel.
LYSANDER HILL.

Endorsed: Filed Jul- 3, 1899. Edward M. Holloway, clerk.

And afterwards, to wit, on the fifth day of July, 1899, in the October term last aforesaid, there was filed in the office of the clerk of this court the bond on appeal; which bond is in the words and figures following, to wit:

Appeal Bond.

Know all men by these presents that we, Elgin National Watch Company, as principal, and Charles H. Hulburd, as surety, are held and firmly bound unto Illinois Watch Case Company, Thomas W. Duncan, and Myer Abraham in the full and just sum of five hundred dollars ($500), to be paid to the said Illinois Watch Case Company, Thomas W. Duncan, and Myer Abraham, their certain

274 attorneys, executors, administrators, or assigns; to which payment, well and truly to be made, we bind ourselves, our

heirs, executors, and administrators, jointly and severally, by these presents.

Sealed with our seals and dated this 5th day of July, in the year of our Lord one thousand eight hundred and ninety-nine.

Whereas lately, at a session of the United States circuit court of appeals for the seventh circuit, in a suit pending on appeal in said court between Illinois Watch Case Company, Thomas W. Duncan, and Myer Abraham, appellants, and Elgin National Watch Case Company, appellee, a decree was rendered against the said Elgin National Watch Company, and the said Elgin National Watch Company having obtained an appeal and filed a copy thereof in the clerk's office of the said court to reverse the decree aforesaid, and a citation directed to the said Illinois Watch Case Company, Thomas W. Duncan, and Myer Abraham, citing and admonishing them and each of them to be and appear at a term of the Supreme Court of the United States to be holden at the city of Washington, D. C., on the second Monday of October, 1899:

Now, the condition of the above obligation is such that if the said Elgin National Watch Company shall prosecute its appeal to effect and answer all damages and costs if it fails to make its plea good, then the above obligation to be void; otherwise to remain in full force and virtue.

ELGIN NATIONAL WATCH CO.,
[CORPORATE SEAL.] By CHARLES H. HUBER, *Pres.*
CHARLES H. HUBER. [SEAL.]

Sealed and delivered in the presence of—

JNO. M. CUTTER.
GEO. S. PRINDLE.

Approved:

EDWARD M. HOLLOWAY,
Clerk of the United States Circuit Court of Appeals for the Seventh Circuit.

Endorsed: Filed Jul- 5, 1899. Edward M. Holloway, clerk.

275 United States Circuit Court of Appeals for the Seventh Circuit.

I, Edward M. Holloway, clerk of the United States circuit court of appeals for the seventh circuit, do hereby certify that the foregoing printed and typewritten pages, numbered from 1 to 274, inclusive, contain a true copy of the transcript of the record and proceedings in the United States circuit court of appeals for the seventh circuit, in the case of Illinois Watch Case Company, Thomas W. Duncan, and Myer Abraham *vs.* Elgin National Watch Company, No. 525, October term, 1899, as the same remains upon the files and records of the United States circuit court of appeals for the seventh circuit.

Seal United States Circuit Court of Appeals, Seventh Circuit.

In testimony whereof I hereunto subscribe my name and affix the seal of said United States circuit court of appeals for the seventh circuit, at the city of Chicago, this seventh day of July, A. D. 1899.

EDWARD M. HOLLOWAY,
Clerk of the United States Circuit Court of Appeals for the Seventh Circuit.

Endorsed on cover: File No., 17,493. U. S. circuit court of appeals, 7th circuit. Term No., 379. Elgin National Watch Company, appellant, *vs.* Illinois Watch Case Company, Thomas W. Duncan, and Myer Abraham. Filed August 17, 1899.

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Supreme Court of the United States.

OCTOBER TERM, A. D. 1900.

No. 121.

ELGIN NATIONAL WATCH COMPANY,

Appellant,

vs.

ILLINOIS WATCH-CASE COMPANY, THOMAS W. DUNCAN AND MYER ABRAHAM,

Appellees.

BRIEF AND ARGUMENT FOR APPELLANT.

STATEMENT OF THE CASE.

By Sections 77 to 84 of the Act of July 8, 1870 (16 St. at L., 198; Rev. St., Sections 4937 to 4947), Congress provided for the registration of trade-marks in the Patent Office; and by the Act of August 14, 1876 (19 St. at L., 141), it also provided penalties, enforcible in the federal courts, for the fraudulent use or imitation of such registered trade-marks. In 1879, the Supreme Court, in the *Trade-Mark Cases*, 100 U. S., 82, held these statutes unconstitutional and invalid because they did not distinguish between commerce within the boundaries of the individual states and commerce "with foreign nations," or "among the several states," or "with the Indian tribes."

By the Act of March 3, 1881 (21 St. at L., 502), Con-

gress provided a new statute for the registration and protection of trade-marks, limited to those "used in commerce with foreign nations, or with the Indian tribes."

The appellant's trade-mark, "Elgin," involved in the present suit, was duly registered under the Act of 1870 as a trade-mark for watches, and after the passage of the Act of 1881 it was re-registered under the latter act.

Both the appellant and the appellee are Illinois corporations. The former charged the latter with infringing said registered trade-mark, and brought the present suit for an injunction and account. The Circuit Court of the United States for the Northern District of Illinois (Showalter, J.) upheld the complainant's (appellant's) contention, and ordered the injunction and account. (See 89 Fed. Rep., 487.) On appeal, the Circuit Court of Appeals for the Seventh Circuit (June 6, 1899) reversed this action, and directed the bill to be dismissed. The case is here on appeal from that decision.

A reasonably full summary of the proved facts relative to the character and situation of the parties, their business, the adoption and use of the trade-mark, and the circumstances of its infringement by the defendants (appellees), will be found in the opinion of Judge SHOWALTER (Tr., pp. 23, 24), and in the statement of facts preceding the opinion of the Court of Appeals, commencing on p. 261 of the Transcript; *except that one material fact has been totally ignored both by the reporter and the court, to wit: that the defendants appropriated our trade-mark several years before they moved to Elgin, and while they were doing business only at Chicago.* Their dishonest and fraudulent intent is, therefore, beyond question. They afterwards moved to Elgin apparently to cover up their fraud. All these facts are fully considered hereinafter.

In deciding the case, the Court of Appeals raised the

question of the constitutionality of the Trade-Mark Act of March 3, 1881; and while the judges did not directly hold in plain words that the act is unconstitutional, they injected into their opinion an assumption that it is not to be accepted as constitutional, and based their judgment squarely upon this assumption, saying (Tr., p. 265) that, to say the least, the jurisdiction of the federal courts in a suit of this kind *"is of so doubtful a nature and so limited in extent and under an act of doubtful constitutionality, that we must decline to exercise it."** Elsewhere in the opinion (Tr., p. 263) they say: "There has been no ruling upon the constitutionality of this act, *and it need only be said that its validity is fairly doubtful."* And they conclude their opinion with the statement: "It is therefore not becoming, as we think, to assume a doubtful jurisdiction under a statute of doubtful validity."

The assignment of errors (Tr., p. 268) is as follows:

1. That the United States Circuit Court of Appeals for the Seventh Circuit erred in holding that the Circuit Court of the United States for the Northern District of Illinois had no jurisdiction of this cause.

2. Also in not affirming the final decree of said Circuit Court in this cause.

3. Also in decreeing that the cause be remanded with directions to dismiss the bill.

4. Also in holding that the Act of Congress approved March 3, 1881 (21 Stat. at L., p. 502, Chap. 138), entitled "An act to authorize the registration of trade-marks and protect the same," is of doubtful constitutionality.

5. Also in holding, in substance and effect, that in view of the proofs in this cause and the law applicable thereto the appellee was not entitled, under the provisions of said

* In the quotations found in this brief, we take the liberty of italicising passages to which we desire to call particular attention.

act, to register the word "Elgin" as a trade-mark for watches.

The questions to be discussed and decided are:

1. Is the Trade-Mark Act, of March 3, 1881, constitutional?

2. In view of the proofs in this cause, was the word "Elgin" lawfully registrable by the appellant (complainant) as a trade-mark for its watches?

3. In view of the proofs in this cause, were the appellees, by using on their watch-cases the word "Elgin" as a prominent and conspicuous feature of their own alleged trade-mark, guilty of infringing the rights of the appellant?

4. Assuming that the appellees were guilty of infringement as aforesaid, is the appellant entitled to recover from them for their use of said trade-mark on goods sold in this country, as well as on those sold abroad?

The Act of March 3, 1881, Constitutional.

The Constitution contains no more important provision than that of Article 1, Section 8, paragraph 3, giving Congress power "To regulate commerce with foreign nations, and among the several states, and with the Indian tribes," supplemented by paragraph 18, giving power "To make all laws which shall be necessary and proper for carrying into execution the foregoing powers." Indeed, the Constitution owes its very existence to the necessity for this provision, for it was this alone which brought Virginia and Maryland into convention at Annapolis in September, 1786, and started the train of events which resulted in the constitutional convention of May 14, 1787. "The power over commerce . . . was one of the primary objects for which the people of America adopted their gov-

ernment." (MARSHALL, C. J., in *Gibbons* v. *Ogden*, 9 Wheaton, 190.)

The power of Congress to make all laws which shall be necessary and proper for the regulation of interstate and foreign commerce is general and plenary.

> "It is the power to regulate; that is, to prescribe the rule by which commerce is to be governed. This power, like all others vested in congress, is complete in itself, may be exercised to its utmost extent, and acknowledges no limitations other than are prescribed in the Constitution. . . . If, as has always been understood, the sovereignty of congress, though limited to specified objects is plenary as to those objects, the power over commerce with foreign nations, and among the several States, is vested in congress as absolutely as it would be in a single government, having in its constitution the same restrictions on the exercise of the power as are found in the constitution of the United States. The wisdom and the discretion of congress, their identity with the people, and the influence which their constituents possess at elections, are, in this, as in many other instances, as that, for example, of declaring war, the sole restraints on which they have relied, to secure them from its abuse. They are the restraints on which the people must often rely solely, in all representative governments."
>
> *Gibbons* v. *Ogden*, 9 Wheat., 1, 196, 197.
>
> *Brown* v. *Maryland*, 12 Wheat., 419, 446.
>
> *United States* v. *Joint Traffic Ass'n*, 171 U. S., 505, 571.
>
> *Addyston Co.* v. *United States*, 175 U. S., 211, 228.

Such a power is strictly analogous to that given by Article 4, Sec. 3, paragraph 2, to "make all needful rules and regulations respecting the territory or other property belonging to the United States," and which has always been held to be "general and plenary" in the broadest sense of the expression. (See *Mormon Church* v. *United States*,

136 U. S., 1, 42; and other cases construing that power.)

Vested with such an authority, Congress is necessarily made by the Constitution the sole judge as to what laws *are* "necessary and proper for carrying into execution" the broad power thus given. This follows from the very nature of the power itself; for, Congress might be unable to carry the power into execution at all, if it had to subordinate its own judgment of what, in any instance, is "necessary and proper," to that of some other department of the government, for example, the judiciary department. It also follows from the language in which the power is conferred; for if the framers of the Constitution had intended the courts to determine the questions of necessity and propriety, they would have used apt words to clearly convey that meaning, for example: "To make all laws which shall, by the courts, be deemed necessary and proper for carrying into execution the foregoing powers." But such a provision would have delegated to the courts legislative functions which it was clearly not the intention of the Constitution to do.

And this court has spoken, in no uncertain tones, upon this subject, saying, in *McCulloch* v. *Maryland*, 4 Wheat., 316, 421, 423:

> "The sound construction of the Constitution must allow to the national legislature that discretion, with respect to the means by which the powers it confers are to be carried into execution, which will enable that body to perform the high duties assigned to it, in the manner most beneficial to the people. Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consistent with the letter and spirit of the Constitution, are constitutional. . . . Where the law is not prohibited, and is really calculated to carry into effect any of the objects entrusted to the government,

> to undertake here to inquire into the degree of necessity would be to pass the line which circumscribes the judicial department, and to tread on legislative ground. This court disclaims all pretensions to such a power."

The authority of the judiciary department does not, therefore, extend so far as to enable the courts to inquire whether the act for the registration and protection of trade-marks was "necessary and proper"—that question having been conclusively settled by the action of Congress in passing the act.

But the courts have authority to inquire "whether trade-marks bear such a relation to commerce as to bring them within congressional control, when used or applied to the classes of commerce which fall within that control" (*Trade-Mark Cases*, 100 U. S., p. 95)—on the ground that if Congress, under the pretense of regulating commerce, should undertake to regulate something entirely foreign to commerce, such legislation would be unconstitutional and the courts would have jurisdiction so to hold. (*Paul* v. *Virginia*, 8 Wall., 168, 183.) Let us, therefore, examine into the question whether trade-marks are so connected with commerce as to bring them under congressional control when used or applied in commerce with foreign nations, or among the several states, or with the Indian tribes.

Preliminarily to the discussion, we may remark that the power of Congress over commerce with foreign nations is co-extensive with its power over interstate commerce. "The grant is conceived in the same terms, and the powers are undoubtedly of the same class and character and equally extensive." (*Bowman* v. *Chicago & N. W. Railway Co.*, 125 U. S., 465, 482.) Hence, authorities on interstate commerce will be equally applicable to all questions relating to foreign commerce and commerce with the Indian tribes.

The meaning of the word "commerce," as used in the Constitution, has been more than once discussed in the opinions of the Supreme Court. In *Gibbons* v. *Ogden*, 9 Wheat., 1, 189, the court said:

> "The counsel for the appellee would limit it to traffic, to buying and selling, or to the interchange of commodities, and do not admit that it comprehends navigation. This would restrict a general term, applicable to many objects, to one of its significations. Commerce, undoubtedly, is traffic, but it is something more; it is intercourse. It describes the commercial intercourse between nations, and parts of nations, in all its branches, and is regulated by prescribing rules for carrying on that intercourse."

In the latest case upon the subject, *Hopkins* v. *United States*, 171 U. S., 578, 597, the court said:

> "Definitions as to what constitutes interstate commerce are not easily given so that they shall clearly define the full meaning of the term. We know from the cases decided in this court that it is a term of very large significance. It comprehends, as it is said, intercourse for the purposes of trade in any and all its forms, including transportation, purchase, sale, and exchange of commodities between citizens of different states, and the power to regulate it embraces *all the instrumentalities by which such commerce may be conducted.*"

That the federal control over commerce with foreign nations and among the several states reaches and acts directly upon the goods which enter into that commerce is a proposition too obvious for argument, and one which has repeatedly been affirmed by this court. (*License Cases*, 5 How., 504; *Bowman* v. *C. & N. W. Railway Co.*, 125 U. S., 465; *Leisy* v. *Hardin*, 135 U. S., 100; *In re Rahrer*, 140 U. S., 545; *Kidd* v. *Pearson*, 128 U. S., 1.) It prevents the states from exacting a license tax from the importer (*Brown* v. *Maryland*, 12 Wheat., 419), and from

imposing a stamp duty upon bills of lading. (*Almy* v. *California*, 24 How., 169.) It dominates not only the purchases, sale, exchange and transportation of the goods, but also all contracts, arrangements and combinations relating to these matters and which Congress may deem it "necessary and proper" to regulate.

> "Contracts to buy, sell, or exchange goods to be transported among the several states, the transportation and its instrumentalities, and articles bought, sold or exchanged for the purposes of such transit among the States, or put in the way of such transit, may be regulated, but this is *because they form part of interstate trade or commerce.*"
>
> *U. S.* v. *E. C. Knight Co.*, 156 U. S., 1, 13.
>
> *United States* v. *Joint Traffic Association*, 171 U. S., 505, 571.
>
> *Trans-Missouri* case, 166 U. S., 290.

It reaches to the passengers as well as to the goods (*Passenger Cases*, 7 How., 283); and in a recent case (*Missouri, Etc., Trust Co.* v. *Krumseig*, 172 U. S., 351, 361), this court has intimated that although the federal government has nothing to do with usury in a contract made and to be performed within a state, that view "is not applicable to cases arising out of interstate commerce, when the policy to be enforced is federal."

It is, therefore, evident from the decisions of this court that the term "commerce," as used in the Constitution, is (to quote again the language of *Hopkins* v. *United States*, 171 U. S., 597), "a term of very large significance," and that it includes, not indirectly and inferentially, but directly and necessarily, the goods themselves and their transportation, "because," in the language of the Sugar case (*U. S.* v. *E. C. Knight & Co.*, *supra*), "they *form part of* . . . trade or *commerce.*" The power to make regulations concerning the goods and their transportation

is left by the Constitution unlimited, save by the judgment of Congress as to whether it be "necessary and proper," in any given instance, to make regulations concerning them, and if so, what regulations.

Although the power to regulate the whole or any part of the subject-matter is thus plenary, it might well have been expected that Congress would not deliberately interfere with the ordinary movements of interstate or foreign commerce, except for reasons which should strongly commend themselves to its judgment as conducive to the "general welfare." It was invested with an unlimited power, and an exclusive discretion as to its exercise—in other words, it was left to decide for itself upon what occasion, for what reasons, with what limitations, and by what means, the power should be applied—but it was expected that the use of the power would be a reasonable one, and for such use Congress, as Chief Justice MARSHALL said in *Gibbons* v. *Ogden, supra,* was answerable only to its constituents.

It is apparent that, upon this subject, Congress has always acted with a full sense of this great responsibility, and for reasons which have strongly commended its action to public approval. So far as concerns interstate commerce, it has seen fit to "regulate" those contracts, arrangements, combinations, or methods of conducting business, which interfere with fair competition, create unequal privileges, or tend towards monopoly. The underlying principle which has excited its action on these subjects is that of preventing unfairness and injustice—in other words, that of preventing the interstate commerce of the country from being used as a means for perpetrating fraud and wrong. The *power* is not limited to the prevention of fraud or wrong; but, in the Interstate Commerce Act, and the Anti-Trust Act, Congress has seen fit to limit its *exercise* to that object. On the other hand, in the Act of

March 2, 1893 (27 St. at L., 531), apparently approved by this court (*In re Debs*, 158 U. S., 564, 580), Congress has required the use of automatic couplers and power brakes on interstate trains, not for the purpose of preventing fraud or wrong, but for the purpose of promoting the safety of employés, passengers and goods. In one statute (26 St. at L., p. 613, Sect. 6), Congress has legislated for the mere convenience of our custom-house officials, by providing that imported articles shall be plainly marked in legible English words indicating the country of their origin. Indeed, it is difficult to conceive how an unlimited power, confided to the sole discretion and judgment of Congress, can be limited by judicial interference, so long as it relates to the subject of interstate or foreign commerce, and the mode of its exercise is not assailable on grounds of public morality or as transgressing the normal functions of a legislative body. Public policy has nothing to do with the matter. "When the law-making power speaks upon a particular subject, over which it has the constitutional power to legislate, public policy in such a case is what the statute enacts." (*Trans-Missouri Case*, 166 U. S., 290, 341.)

With respect to foreign commerce, the power of Congress is even more exclusive than with respect to interstate commerce; for the states may, in the absence of Congressional action, regulate certain matters belonging to interstate traffic, and which are substantially local and domestic in their character, whereas, with respect to foreign commerce they have no such right. "The organization of our State and Federal system of government is such that the people of the several States can have no relations with foreign powers in respect to commerce or any other subject, except through the government of the United States and its laws and treaties." *Bowman v. Chicago, Etc., Railway Co.*, su-

pra; Henderson v. *Mayor of New York*, 92 U. S., 259, 272, 273; and see Constitution, Art. 1, Section 10.)

It has been repeatedly held by this court, in substance, that the power of Congress to regulate commerce with foreign nations and between the several states covers not only the regulation of those things which enter directly into commerce, but also those things by which it is conducted, or which are practically essential to it. "Congress is empowered to regulate commerce, and ought to legislate for foreign commerce as for all its leading incidents and uniform and universal wants." (Mr. Justice WOODBURY, in the *Passenger Cases*, 7 How., 558.) It is on this principle that it regulates contracts relating to transportation, provides for the inspection of steam-boilers, requires a particular construction of couplers and brakes for cars, and otherwise interferes with the various agencies by which commerce is carried on. These acts are not, like an embargo act, an interference directly with commerce itself, but with the things which are connected with it, or are incidental or necessary to it. "The power to regulate it embraces all the instrumentalities by which such commerce may be conducted." (*Hopkins* v. *U. S., supra.*)

There being no constitutional provision expressly relating to trade-marks, the power to regulate them, if it exists at all, must be derived from the power to regulate commerce, and must involve and include the general power to regulate the application and use of words and marks, *of any description*, upon or in connection with goods entering into foreign or interstate commerce. Accordingly, as we have already seen, in the act of October 1, 1890 (26 St. at L., p. 613, Sect. 6), Congress has assumed, for the convenience of our treasury officials, to require that imported articles of foreign manufacture shall not be admitted to entry unless "plainly marked, stamped, branded

or labeled in legible English words, so as to indicate the country of their origin." The propriety of such a provision is obvious; but the *power to make it* involves the power to regulate, in any way that Congress may deem "necessary and proper," the use of any kind of inscription upon goods entering into our commerce with foreign nations.

By Sect. 7 of the same act, Congress prohibited the entry of any "article of imported merchandise which shall copy or simulate the name or trade-mark of any domestic manufacture or manufacturer." The power to make the provision of Section 6 involves the power to make that of Section 7. The reason which led Congress to make the two provisions are obviously not the same; but the existence of the power is independent of the reasons for exercising it.

We come now to the Trade-Mark Act of March 3, 1881, whose constitutionality is questioned by the Circuit Court of Appeals. If unconstitutional, then Sections 6 and 7 of the Act of October 1, 1890, are also unconstitutional; for the theory of unconstitutionality would draw the line between the *goods* and the *marks placed upon them*, admitting the power of Congress at one side of the line, but denying it at the other. And this distinction is assumed notwithstanding the fact that Congress, to whose sole discretion the whole matter was confided by the Constitution, has adjudged it necessary and proper to legislate on both sides of the line. Such an assumption would seriously curtail the power of Congress over an important subject particularly commited to its care, and might, in the future, work incalculable mischief. It is easily conceivable that in the evolution of commercial business between the people of different nations the marks placed upon the goods may come to play a controlling part. Suppose, for example, that some nation should, for the protection of its

own people, direct that no goods should be admitted through its ports unless provided with a trade-mark duly registered in the country of their origin,* then this dilemma would occur, namely, that the several states could not deal with the subject, except through the federal government, and the federal government could not deal with it for want of constitutional power. This particular exigency may never happen, and it is here suggested only as an illustration of future exigencies that *may* happen. The power to deal with them when they arise should be lodged somewhere; and there is no suitable body to exercise it except Congress. It cannot be lodged in the several states, because they "can have no relation with foreign powers in respect to commerce or any other subject, except through the government of the United States." (*Bowman* v. *Chicago, Etc., Railway Co., supra.*) It has always been supposed to have been already lodged in Congress, under the commerce clause. It is in its nature an attribute of sovereignty, which should exist in all properly constituted governments. The absence of it would constitute an important *casus omissus* under our Constitution. We have one such already, in the matter of injuries by local mobs to the subjects or citizens of foreign states; and surely the courts will not be swift to increase the evil brood by taking from the only body which can deal with foreign commerce the authority to deal with it as to one of its most important particulars! Rather should their efforts be directed to increasing and confirming the power of Congress over the whole subject, to the end that whatever exigencies may in the future arise the power of the government may be found completely adequate to properly deal

* A proceeding which would be somewhat analogous to our own requirement that the goods shall be marked to indicate the *country* of their origin.

with them. The curtailment of powers fairly inferrible from the national Constitution is, at best, a dangerous and unwholesome exercise of judicial authority; and when applied to foreign commerce or other subjects connected more or less directly with the interests of foreign nations, it should never be attempted. In that direction the federal government needs, at all times, the most ample and unqualified powers that can be given to it.

If the marks over which Congress has assumed to legislate had no connection with commerce, such legislation would be a mere usurpation of power, and the courts would undoubtedly so hold. But if they have any material connection with it, then the power of Congress to regulate their use in commerce with foreign nations would seem to be indubitable. The principle is akin to that which controls the setting aside of a verdict for want of evidence—if there be any material evidence, the verdict stands; if none whatever, it is set aside. In like manner, if there be any material connection between the marks and the goods the verdict of Congress must stand; otherwise it may be set aside.

There is not only a very intimate and material connection between trade-marks and commerce, but they are in fact absolutely inseparable. The very name tells the story—for trade means commerce, and trade-mark means commerce-mark. Commerce might, possibly, exist without trade-marks; but a trade-mark unconnected with commerce is an unthinkable thing, a contradiction in terms. Trade-marks grew out of the necessities of commerce.* They are attached to the commercial article, made substantially a part of it, and go with it wherever it goes, certifying on the face of the article its origin and genuineness to the end that commerce in it may be unhampered by fears and sus-

* For an admirable review of the history of trade-marks, see *Browne on Trade-Marks*, §§ 1 to 28.

picions as to its integrity. Associated with the article they are of great value, and give additional value to it; separated, they cease to have any meaning or value, and the goods lose value by losing their certification of genuineness and good character. The reputation of the manufacturer is a material element in the value of the goods; and trade-marks serve to affix that reputation inseparably to them, so that the price to be demanded for them may be a sum in which both the intrinsic value of the materials and the reputation of the maker shall constitute important factors. Who does not know, for example, that dresses made by Worth, of Paris, optical instruments made by Clark, of Cambridge, and plate made by Tiffany, of New York, command in the market far more than the intrinsic value of the materials and cost of labor *plus* the ordinary "manufacturer's profit"? Trade-marks perform no function in the *use* of the goods—their only function is in the *commerce* connected with them; they are an artificial device for causing the reputation of the maker to be transported *with the goods* to the foreign market, so that it will bring its deserved price. They stand as the visual representative of that reputation and are bought and sold with it for value because the purchaser may desire their aid for securing a quick sale and a good price when he, in turn, becomes a seller. While they remain in his hands, they are as much a part of his property as are the materials of which the goods are composed; and they enter into, and form a material part of, every commercial transaction concerning those goods just as do the materials of which the goods are composed.

In the hands of the manufacturer, the right to the exclusive use of his trade-mark is everywhere recognized as an assignable asset. (*Kidd* v. *Johnson,* 100 U. S., 617.)

When he places this mark upon an article, for example, a watch, made and put into the market by him, he thereby attaches to and transfers with the article a fraction of his general exclusive right to the use of the mark on that kind of goods, the purchaser becomes vested with the exclusive right as to that particular article, and the right thus acquired is assignable with the article and is transferred with it from one owner to another, until it reaches the ultimate consumer.

In fact, from whatever direction we approach the subject, we find that the trade-mark attached to the goods is *property**—property which is transferrible in its nature, is conveyed by the carrier from one place to another, has a material value, is bought and sold, is inheritable, and has every other characteristic of personal property. "It is a property right." (*Trade-Mark Cases,* 100 U. S., 82, 92.) It has only this peculiarity, that, being inseparable from the goods, it can be bought, sold and transported, only with them, or with the business of manufacturing or vending them. That such a property is an element of commerce wherever the goods enter into commerce, seems too plain to require further discussion. Even if it should be argued that only the goods are property, yet it must be conceded that the trade-mark enters into the value of that property, becoming one of its commercial elements, and therefore necessarily subject to the regulation of Congress as much as are the goods themselves. "A trade-mark, like the goodwill of a shop or manufacturing establishment, *is a subject of commerce,* and it has been many times held entitled to protection at a suit of the vendee." (*Fulton* v. *Sillers,* 4 Brews., 42, Pa.)

* "The jnrisdiction to restrain the use of a trade mark rests upon the ground of the plaintiff's property in it, and of the defendant's unlawful use thereof." (*Fuller, C. J.*, in *Lawrence Mfg. Co.* v *Tennessee Mfg. Co.*, 138 U. S., 537, 548–9.)

Suppose that a railroad company engaged in interstate commerce should, without discriminating as to goods unprovided with trade-marks, attempt to discriminate between the *trade-marks* of different watch manufacturers by giving preferential rates to watches bearing a certain trade-mark over similar watches bearing other trade-marks. In such case there would be no discrimination as to the goods, but only as to the trade-marks; but how long would it take the federal courts to find that such discrimination violated the Interstate Commerce Act of February 4, 1887, and to arrest it by injunction? Yet the power to interfere would be based solely on the power of Congress to regulate *commerce,* and would necessarily assume that trade-marks, as an element of commerce, are within the scope of Congressional legislation.

The relation between the goods and their trade-marks is infinitely closer than the relation between the goods and the coupler or brake of the railway-car in which they may happen to be loaded, or between the goods and a pooling contract among the railroads, made perhaps before the goods were in existence, but operating incidentally to affect the rates of their transportation. By what kind of reasoning can Congress, through its commerce powers over the goods, be assumed to have the authority to prescribe a particular mechanical construction of coupler or brake, or to prohibit a pooling contract, and yet be destitute of the power to regulate an important constituent commercial element of the very goods themselves? It seems clear that if the Trade-Mark Act be held unconstitutional, it must be upon a ground that would invalidate the greater part of the recent interstate commerce legislation.

Further: it is a familiar rule of the American courts that statutes shall not be held unconstitutional unless that conclusion is substantially unavoidable. In cases of doubt the

validity of the statute is affirmed. In the present instance, the attack upon the constitutionality of the act can, in the very nature of things, go no farther than the raising of a mere doubt; for it is based entirely upon the question whether trade-marks are a commercial device, or a device independent of commerce. The argument in support of their commercial character rests, as we have shown, upon apparently conclusive facts which, in their nature, are obvious and self-evident, and which, therefore, cannot be denied or explained away. Hence, all that our opponents can do, even under the most favorable conditions imaginable, is to adduce other facts tending to an opposite conclusion, if any there be, and leave the court to balance the two sets of facts against each other. In such a case, even if our opponents' facts were of the same apparently conclusive force as our own, the result would only be to leave the whole matter in doubt; and in that event the rule of the courts is to sustain the constitutionality of the statute. But unfortunately for our opponents there are no apparently conclusive facts in support of their position—the facts are all one way; and we do not see how even a doubt can be raised. The judgment of Congress upon the facts was, that trade-marks are a commercial device, subject to Congressional regulation; and it cannot be overthrown, except by considerations of the most conclusive character, which cannot be found in this case. The above reasons, we submit, are conclusive as to the constitutionality of the Act of March 3, 1881.

The same reasons and authorities are conclusive that the Congressional power is not limited to the control over any particular *kind* of commercial marks, but extends to all marks, names, words, or devices of any description, which are actually used on goods entering into commerce with foreign nations, with the Indian tribes, or between the sev-

eral states. As to all such marks, names, words or devices, Congress, if it has any constitutional power in the premises at all, has the right to direct or regulate their use under such reasonable conditions as it may deem proper to impose—and this, whether they are trade-marks or commercial marks of other descriptions. It was on this theory that, in the Act of October 1, 1890, as we have already seen, Congress required that imported articles of foreign manufacture should not be admitted to entry unless "plainly marked, stamped, branded or labeled in legible English words, so as to indicate the country of their origin." *A fortiori,* it had full authority over the subject of trade-marks employed in such commerce, whether the term "trade-mark" be used in the narrow and restricted sense of an arbitrary and undescriptive mark or word applied to goods to indicate their origin at the hands of some particular manufacturer or dealer, or in the broader sense of *any* mark, device, word or words, wholly arbitrary or partially descriptive, applied to goods and indicating such origin. We shall hereinafter endeavor to show that Congress used the term "trade-mark" in the latter sense; and we desire, at this point, merely to call attention to the fact that the power of Congress was ample in either case.

In conclusion: The United States has entered into treaty relations with foreign powers for the protection of trade-mark property. This could be done only on the theory that the control over trade-marks used in commerce with foreign nations was not reserved to the several states, but was conferred by the Constitution upon the federal government; for the Constitution cannot be amended and the federal powers enlarged by simply making a treaty.

A good example of such treaties may be found in the convention between the United States, Belgium, Brazil, the Dominican Republic, France, Great Britain, Guatemala,

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Italy, the Netherlands, Norway, Portugal, Salvador, Servia, Spain, Sweden, the Swiss Confederation and Tunis, for the protection of industrial property, concluded at Paris, March 20, 1883. (25 St. at L., p. 1372.) In this treaty there are various provisions (see articles IV, VI, VIII, etc.) for the "deposit," that is to say, in effect, the *registration*, in each country, of trade-marks belonging to citizens or subjects of the other contracting powers. In article VI we agreed that any trade-mark regularly "deposited" in the country of origin shall be admitted to "deposit" in the United States *and shall be protected here.* By article XII we agreed to maintain an office for such "deposit," or, in other words, a bureau of registration. It was not necessary to "establish" such a bureau, because it already existed in the Patent Office under the Trade-Mark Act of March 3, 1881.

Did the federal government have constitutional authority to make such a treaty; or, on the other hand, had this great commercial nation so completely emasculated its government that the latter is powerless to do, with respect to matters connected with foreign commerce, what even little Guatamala, Salvador and Tunis can do? Is the all-embracing commerce clause of the Constitution to receive such an interpretation as will forever prevent us from entering into any arrangement with foreign nations for the mutual protection of industrial property? We cannot believe it. We submit that these treaties and the Act of March 3, 1881, under which their provisions are enforceable, are constitutional and valid.

The Characteristics of a Trade-Mark.

(A.) *The Meaning of the Term.*

The act being constitutional and the authority of Congress ample, the next question that arises is, how, and to what extent, has Congress exercised the power confided to it. The Act of March 3, 1881, simply provides for the registration of "trade-marks" used in commerce with foreign nations or with the Indian tribes; and, as the controversy here is over *the right to register the word Elgin as a trade-mark for watches,* thereby giving the federal courts statutory jurisdiction over the present case, this at once renders it necessary, for jurisdictional purposes, to determine the legal definition of the term "trade-mark."

Although the term has been in common use for more than a century and a half, it is not easy to give an absolutely precise and accurate definition of it. By the process of exclusion we can determine, however, certain things which are not embraced within its meaning. For example, no court would sanction the employment of indecent, immoral, or profane expressions or devices as trade-marks, nor of marks or words embodying material falsehood or misrepresentation[1]. Words merely descriptive or laudatory of the goods[2], or words or marks employed only to indicate quality or grade[3], or to inform the public where the goods can be obtained[4] are essentially descriptive, and of right free to everybody to use for a like purpose. These things are not trade-marks; but that fact does not define

1. *Fowle* v. *Spear*, 7 Penn., L. J. 176; *Fetridge* v. *Wells*, 13 How. Pr., 385.
2. *Corbin* v. *Gould*, 133 U. S., 308.
3. *Lawrence Co.* v. *Tennessee Co.*, 138 U. S., 537.
4. *Candee, Swan & Co.* v. *Deere & Co.*, 54 Ill., 439; 5 Am. Reps., 125.

with satisfactory accuracy and precision what *is* a trade-mark. It will be understood, however, throughout the following discussion, that when we use the term "trade-mark" we do not include any of the things here mentioned as excluded from its scope.

Bouvier defines a trade-mark as

> "A symbol, emblem, or mark, which a tradesman puts upon or wraps or attaches in some way to the goods he manufactures or has caused to be manufactured.*
>
> "It may be in any form of letters, words, vignettes, or ornamental design. Newly recognized words may form a trade-mark. A common name of an article and of a place may, by combination, become a trade-mark."

In France, the commission which reported the Act of June 23, 1857, considered the subject and stated their views as follows: "In what do marks consist? The plan of the law, avoiding *the peril of a definition*, and leaving to doctrine and to jurisprudence the task of defining, has remained mute in this respect," a conclusion in which the Council of State did not fully concur, saying: "The mark is *any sign serving to distinguish the products of a manufacturer, or the objects of commerce*, and the law cannot enumerate the signs." (*Browne on Trade-Marks*, p. 99, sec. 85.) In *Lalande et al.* v. *Appel et al.*, 5 Annales, 248, the Court of Paris defined a trade-mark broadly as *"the characteristic sign by means of which commerce distinguishes the products of one's manufacture, or the objects of his commerce."* The German definition of a trade-mark, as given in *Klostermann on Trade-Marks* (quoted by Browne in a foot-note on p. 100) is equally as broad and comprehensive as the French.

The German statute, in force since May 1, 1875, de-

* This definition is defective—Bouvier should have added, "to distinguish his product from those of others," or words to that effect.

scribes trade-marks as "marks which are to be used on the goods themselves, or on the packing, to distinguish their (the traders') goods from those of other traders." The Belgian trade-mark act of April 1, 1879, defines a trade-mark, almost in the exact words of the French act, as "*Every* sign serving to distinguish the products of an industry, or the objects of a commerce." The Brazilian law of October 23, 1875, defines a trade-mark as the name of the proprietor in some distinctive form, or *any other* denotation, emblem, stamp, seal, signet-stamped mark, relief or wrapping of any kind, which may distinguish manufactured goods or articles of trade. The Austrian statute of December 7, 1858, defines a trade-mark as "the particular signs serving to distinguish in commerce the products and the merchandise of one manufacturer from the products and merchandise of another." The Canadian act of May 15, 1879, includes, as trade-marks, all marks, names, brands, labels, packages, or other business devices, which may be adopted for use by any person in his trade, business, occupation or calling, for the purpose of distinguishing any manufacture, product or article by him manufactured, produced, compounded, packed or offered for sale. The Danish law of July 2, 1880, describes a person's trade-mark as "the mark or marks which he affixes to his merchandise, or the packing thereof, to distinguish the same from merchandise made or sold by others." The English act of 1883, providing for the registration of trade-marks, contains the following statement:

> "(1.) For the purpose of this Act, a trade-mark must consist of or contain at least one of the following essential particulars:
>
> "(*a.*) A name of an individual or firm printed, impressed, or woven in some particular and distinctive manner; or

"(*b.*) A written signature, or copy of a written signature, of the individual or firm applying for registration thereof as a trade-mark; or

"(*c.*) A distinctive device, mark, brand, heading, label, ticket, or fancy word or words not in common use.

"(2.) There may be added to any one or more of these particulars any letters, words, or figures, or combinations of letters, words, or figures, or any of them.

"(3.) Provided that any special and distinctive word or words, letter, figure, or combination of letters or figures, or of letters and figures, used as a trade-mark before the 13th day of August, 1875, may be registered as a trade-mark under this part of this Act."

Under the Dutch trade-mark act of May 25, 1880, a person's trade-mark is defined as "a mark to be placed upon his goods, or upon the wrappers thereof, for the purpose of distinguishing such goods from those of others." The Russian code gives no defintion of "trade-mark," but provides that a trade-mark shall bear on it the name of the manufacturer and of his place of business. The Swedish, Norwegian and Japanese laws contain no definition of the term. The Italian and Roumanian laws are substantially the same as the French act of June 23, 1857. Germany, Austria, Denmark, Holland, Brazil and Sweden disallow registration of trade-marks consisting merely of numerals, letters or words in common use.

With the exception of numerals, letters and words in common use, which some countries refuse to register, none of these attempted definitions undertakes to limit trade-marks to any particular kind or class of marks, but all assume, and that of the French Council of State expressly declares, that they are "*any* sign serving to distinguish the products of a manufacturer." The clearest statement of the law found in any American decision is that of the Su-

preme Court in *McLean* v. *Fleming*, 96 U. S., 245, 250, as follows:

> "Where a party has been in the habit of stamping his goods with a particular mark or brand, so that the purchasers of his goods having that mark or brand know them to be of his manufacture, no other manufacturer has a right to adopt the same stamp,"

a statement which accords in every respect with that of the authorities above cited, and, like them, does not undertake to confine trade-marks to any particular kind or class of marks or signs. We have been unable to find any authority to the contrary. None of our treaties undertakes to define the term "trade-mark," but they all leave its definition to the law of nations. As there defined, a trade-mark is, in the terse and expressive language of the French Council of State (and with the exception already noted as to numerals, letters and "words in common use," that is to say, descriptive words), "*any sign serving to distinguish the products of a manufacturer*," regardless of what the special nature or characteristics of that sign may be. If it be a mark of any kind whatever, not before used by others, but adopted by a particular manufacturer to distinguish his product from those of his competitors and not immoral, false or merely descriptive, then, under all the authorities, it is his trade-mark, and the courts of all civilized countries will protect him in the exclusive use of it for that purpose. It is like a certificate under his sign manual, "O-K-ing" the goods as of his manufacture and genuine. (Chief Justice FULLER in *Menendez* v. *Holt*, 128 U. S., 514, 520.) In *Thorley's Cattle Food Co.* v. *Massam*, 42 L.T. Rep., N. S., 857, Lord JAMES said:

> "The words 'Thorley's Food for Cattle' would indicate, according to my view of the case, to a purchaser, this: You have always had a very good article called 'Thorley's Food for Cattle;' any article bearing

that name is to you a guarantee that it comes from the same place from which that has come with which you have hitherto been well satisfied and content. That in truth is the meaning and object and result of a trade-mark. That is what a trade-mark is; it does not signify what it is—whether it is a name, or a symbol, or a fancy name, *or anything else*. It indicates this, a warranty that the article to which it is attached has come from the particular manufacturer of the goods with which buyers have been hitherto pleased."

(B.) *The Property in a Trade-Mark not Absolute.*

The property in a trade-mark is not absolute and general for all purposes, but it is a qualified property, growing out of prior adoption, and limited to a particular class of goods.

> "There can be no right to the exclusive ownership of any symbols or marks universally in the abstract; thus, an ironfounder who has a particular mark for his manufactures in iron could not restrain the use of the same mark when impressed in woolen or cotton goods; for a trade-mark consists in the exclusive right to the use of some name or symbol as applied to a particular manufacture or vendible commodity, and such exclusive right is property."
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> *Hall* v. *Barrows*, 10 Jur. N. S., 55, WESTBURY, L. C.

(C.) *The Gist of the Offense of Infringement.*

When a trade-mark right is violated, the essence of the offense consists in unfair competition.

> "In all cases where rights to the exclusive use of a trade-mark are invaded, it is invariably held that the essence of the wrong consists in the sale of the goods of one manufacturer or vendor as those of another; and it is only when this false representation is directly or indirectly made that the party who appeals to a court of equity can have relief."
>
> *Canal Co.* v. *Clark*, 13 Wall., 311, 322.

"Rival manufacturers have no right, by imitative devices, to beguile the public into buying their wares under the impression that they are buying those of their rivals."

Coats v. *Thread Co.*, 149 U. S., 562.

"It is the object of the law relating to trade-marks to prevent one man from stealing away another man's business and good will. Fair competition in business is legitimate and promotes the public good, but an unfair appropriation of another's business by using his name or trade-mark, or an imitation thereof calculated to deceive the public, or in any other way, is justly punishable by damages, and will be enjoined by a court of equity."

BRADLEY, J., in *Celluloid Co.* v. *Cellonite Co.*, 32 Fed. Rep., 94, 97.

"TRADE-MARKS" AND "UNFAIR COMPETITION."

It would seem that, with these clear distinctions and definitions, the subject of trade-marks had been placed beyond the possibility of further uncertainty or misunderstanding. But such is not the fact, as certain recent decisions of the inferior courts, which will be hereinafter commented upon, will conclusively show. The closely analogous law of "unfair competition" and the fact that trade-mark infringement always involves unfair competition, while unfair competition does not always involve trade-mark infringement, have caused, in the minds of some jurists, "confusion worse confounded," rendering it absolutely, necessary that this court shall intervene to place the law on a logical, or at least an *intelligible*, basis of principle. In discussing the subject, we feel obliged to use the terms "trade-mark" and "unfair competition" in contradistinction to each other, because they have been so generally used in that sense that it is now practically impossible to adopt any other nomenclature.

Using the terms in that sense, we remark that, self-evidently, there must be *some* legal distinction between imitable devices which are trade-marks, and others which are not, else, all alike are registrable as trade-marks. In scores of cases the courts, by their action, have affirmed the existence of such a distinction, without undertaking to define it. If it exists at all, it is, of course, compatible with reason and sound sense, and is capable of being understood by the human mind, and therefore of being expressed in words. Unless the federal statute means that all imitable devices used on vendible goods to denote origin are registrable as trade-marks, Congress certainly contemplated such a distinction in providing for the registration of trade-marks, but not providing for that of imitable devices which are protectible only on the ground of unfair competition. In the federal courts, therefore, jurisdictional necessity requires the adoption of some rule or formula stating the legal distinction so clearly that the lower courts will not hereafter stumble into the grossest inconsistencies on this subject, as some of them have occasionally done in the past.

We respectfully submit that an intelligent examination of the highest authorities will show that the material distinctions between trade-marks and unfair competition by imitative devices are two in number, and only two, and that they are as follows:

1. That "trade-marks" are confined exclusively to marks used on *vendible goods* intended for sale; whereas, other marks, not used on such goods, and therefore not trade-marks, are often protected against "unfair competition." Thus, in *Knott* v. *Morgan*, 2 Keen, 213 (Lord COTTENHAM, C.), a passenger transportation company had painted its omnibuses and clothed its servants in a peculiar manner, and the court enjoined a rival from

fraudulently imitating these devices; in *Stone* v. *Carlan* (13 Monthly L. R., 360), *Marsh* v. *Billings* (17 Cushing, 322), and *Deitz* v. *Lamb* (6 Robertson, N. Y. Sup. Ct., 537), certain hotels had placed their names upon their coaches, and rival concerns were enjoined from using these names upon competing coaches; and in *Lippman* v. *Martin*, 5 Ohio, N. P., 120, and a recent California case, a trader had constructed his store front with a peculiar design and ornamentation, to attract custom, and a rival was enjoined from using, on a store alongside, a similar design and ornamentation. These and other analogous cases do not come under the head of trade-mark cases, because the stores, coaches, hotels, etc., are not vendible commodities placed on the market for sale; but they are dealt with under the general power of the courts to suppress or punish deceptive and unfair competition in business. "Unfair competition" is a very broad and comprehensive term, covering every conceivable species of conduct by which one competitor endeavors, by unfair or fraudulent means, to divert to his own benefit the trade or business of another. But so long as it does not concern the use, on vendible goods, of what Mr. Justice Brown (*Coats* v. *Thread Co., supra*) has aptly termed "imitative devices," it is not pertinent to the present discussion, nor is there any obscurity in the law relating to it.

2. Coming, then, to the subject of imitative devices on vendible goods, we remark:

There are two ways by which one man may, by imitative devices, cause his goods to be purchased as the goods of another, to wit, (1) by employing upon his own goods or their package *a specific mark* or symbol which has been used by his competitor for identifying his goods; and (2) by copying upon his own goods or their package *the general external appearance* of the goods of his competitor or some con-

spicuous and striking feature of their general appearance, so that purchasers will, *from mere similarity of appearance*, be liable to mistake the one for the other. When a manufacturer or dealer relies upon a specific mark to identify his goods, *irrespective of their general appearance*, then he is to be protected under the trade-mark law; and, according to all the authorities above cited, it "does not signify what it is—whether it is a name, or a symbol, or a fancy name or *anything else*" (Lord JAMES, in *Thorley's Cattle Food Co.* v. *Massam, supra*), but when he elects to rely upon giving his manufactured article, *as a whole*, a peculiar and distinctive general appearance, distinguishing it from goods of a similar class made or sold by others, then he will be protected, not on the ground of trade-mark, but upon that of unfair competition. So that the question to be decided in all cases of the unlawful use of imitative devices upon vendible goods always resolves itself into this: Does the plaintiff rely upon *a specific mark* to identify his goods, irrespective of their general appearance, or, on the other hand, does he rely upon their general appearance alone? Such a distinction is obviously consistent with the reason and logic of the thing, giving a clear and satisfactory explanation of the fact that certain cases of unfair competition by means of imitative devices are treated as trade-mark cases, while others are regarded merely as cases of "unfair competition;" and it is, we think, supported by substantially all of the reliable reported decisions, although in none of them, so far as we are aware, have the courts clearly explained the simple principle which separates such cases into two distinct classes, bearing different names.

Trade-Mark Cases, 100 U. S., 82.
Canal Co. v. *Clark*, 13 Wall., 311.
Manufacturing Co. v. *Trainer*, 101 U. S., 51.
McLean v. *Fleming*, 96 U. S., 245.

Kidd v. *Johnson*, 100 U. S., 617.
Manhattan Med. Co. v. *Wood*, 108 U. S., 218.
Liggett Co. v. *Finzer*, 128 U. S., 182.
Menendez v. *Holt*, 128 U. S., 514.
Goodyear Co. v. *Goodyear Co.*, 128 U. S., 596.
Stachelberg v. *Ponce*, 128 U. S., 686.
Corbin v. *Gould*, 133 U. S., 308.
Lawrence Co. v. *Tennessee Co.*, 138 U. S., 537.
Brown Chemical Co. v. *Mayes*, 139 U. S., 540.
Higgins v. *Keuffel*, 140 U. S., 428.
Coats v. *Thread Co.*, 149 U. S., 562.
Columbia Mill Co. v. *Alcorn*, 150 U. S., 460.
South Carolina v. *Seymour*, 153 U. S., 353.
Richmond Co. v. *Richmond*, 159 U. S., 293.
In re Keasbey & Mattison Co., 160 U. S., 221.
Singer Co. v. *June Co.*, 163 U. S., 169.
Castner v. *Coffman*, 178 U. S., 168.

The above list comprises all the cases involving trade-marks that are found in the reports of this court to and including vol. 178 U. S.

(On "unfair competition" the cases are too numerous to be here cited, but a very full list of them will be found cited, with editorial comments, in 20 C. C. A., 165 [note to *Scheuer* v. *Muller*], and 30 C. C. A., 376 [note to *Lare* v. *Harper & Bros*].)

The true distinction between trade-mark infringement and "unfair competition" is very clearly indicated in *Potter Co.* v. *Pasfield Soap Co.*, 102 Fed., 490 (THOMAS, J., A. D. 1900.)

By expressing this distinctive principle clearly, and adding the sanction of its supreme authority, this court will relieve the subject from the greater part of its present confusion and confer an inestimable benefit upon the bar and the public. True, even with the distinction expressed most

clearly, cases will still be liable to arise occasionally in which the proper application of the principle will not be entirely clear. Thus, it is easily conceivable that in a given case a specific mark used on the article of merchandise may be so large and obtrusive or otherwise peculiar in its appearance as to dominate the general appearance of the entire article; but such a case would present no real difficulty, for, under such circumstances, it would be perfectly proper to sustain the proprietary right on either ground, or on both. For illustrative examples of such cases, see *Buck's Stove and Range Co.* v. *Kiechle,* 76 Fed., 768, and *Putnam Nail Co.* v. *Bennett,* 43 Fed., 800.

It follows, from the premises above stated, that a trade-mark is not necessarily a wholly arbitrary or unmeaning device. The only requirement is, that it shall be a *specific mark,* in contradistinction to the *general appearance* of the goods. Of course, as already said, it must not be immoral, profane, false, merely descriptive or used only for the purpose of showing where the goods can be obtained. But, with these proper and reasonable limitations, it may be partially descriptive (*Menendez* v. *Holt, supra*), and may, as Lord Justice JAMES says, be "a name, or a symbol, or a fancy name, or *anything else*" serving to indicate to the public that the goods upon which it appears are from the same manufacturer or dealer as those upon which it has before appeared and which have proved to be satisfactory.

And finally, the same considerations conclusively dispose of the contention of some writers that the difference between imitative devices which involve the violation of a trade-mark and those which involve only unfair competition lies in the fact (as they assume), that it is not necessary to prove the fraudulent intent of the infringer in trade-mark cases, while it is necessary in cases of unfair competition. There is nothing in this alleged distinction,

for the assumed fact *is not true*. Fraudulent misrepresentation must *always* be proved. It is, as this court said in *Canal Co.* v. *Clark, supra*, "the essence of the wrong, ... and it is only when this false representation is directly or indirectly made that the party who appeals to a court of equity can have relief." Some trade-marks are of such a character that their use by a competitor demonstrates on its face an intentional, and therefore fraudulent, simulation or appropriation, and hence, in such cases, the courts require no further proof of fraudulent intent; while other marks are of such a character as to require proof additional to the mere use of the mark. So, too, in cases of unfair competition—if the plaintiff had adopted for his goods a dress or general appearance so unique and peculiar as to distinguish them from all articles before on the market (as, for example, in *Putnam Nail Co.* v. *Bennett*, 43 Fed., 800, BRADLEY, J., and *Hires* v. *Consumers' Co.*, 100 Fed., 809, C. C. A.), and the defendant had thereafter closely copied or simulated this unique and original appearance, the courts would call for no additional proof of fraudulent intent—the facts speaking for themselves. The question in all such cases is: How much and what kind of proof will satisfy the court of fraudulent intent? It is a question to be determined by the common sense of the judge, and does not involve any principle of law, nor any distinction between the subjects of trade-marks and unfair competition. The point is well illustrated by three of the early English cases on trade-marks, *Blanchard* v. *Hill* (*"Great Mogul"*), A. D. 1742, HARDWICKE, C., 2 Atk., 484; *Singleton* v. *Bolton* (*"Dr. Johnson's Yellow Ointment"*), A. D. 1783, MANSFIELD, J., 3 Doug., 293, and *Hogg* v. *Kirby* (*"The Wonderful Magazine"*), A. D. 1803, ELDON, C., 8 Ves., 215. *Blanchard* v. *Hill* and *Singleton* v. *Bolton* are the first two trade-mark cases reported in the

English books, and in both of them the devices that were infringed would now be considered unquestionably specific trade-marks; but nevertheless Lord HARDWICKE and Lord Chief Justice MANSFIELD held that the fraudulent intent of the infringer must be established by proofs additional to the mere showing made by the defendant's simulation of the marks, Lord HARDWICKE saying that "it was not the single act of making use of the mark that was sufficient to maintain the action," and that "it would be of mischievous consequences" to establish such a rule. In *Hogg* v. *Kirby*, however, Lord ELDON, with clearer vision recognized the fact that some marks are of such a character that their use by the defendant is obviously fraudulent, and therefore no further evidence of fraud should be required; and he enjoined the defendant upon the face of his acts—a ruling which has been followed, in like cases, to the present day. Lord Justice TURNER, in *Burgess* v. *Burgess*, De G. M. & G., 876, and Lord Justice JAMES, in *Thorley's Cattle Food Co.* v. *Massam*, 42 L. T. R., N. S., 851, stated the principle with great lucidity, in the following language:

> "When a person is selling goods under a particular name, and another person not having that name is using it, it may be *presumed* that he so uses it to represent the goods so sold by himself as the goods of the person whose name he uses; but where the defendant sells goods under his own name, and it happens that the plaintiff has the same name, *it does not follow that the defendant is selling his goods as the goods of the plaintiff. It is a question of evidence in each case whether there is false representation or not.*"

Lord JAMES adds: "That I take to be the accurate description of the law which was adopted by the House of Lords" (referring to *Wotherspoon* v. *Currie*).

In *Gage-Downs Co.* v. *Featherbone Corset Co.*, 83 Fed. Rep., 213, Judge SEVERENS, in deciding a case where the

use of a particular mark by the defendant was not conclusive, one way or the other, as to his alleged fraudulent intent, said that "*In such a case it depends entirely upon the proof,*" and that if shown to be used as "a means of appropriating the business advantages, good will, and trade-name of the complainant, that is not lawful."

It is clear, therefore, both upon reason and the highest authority, that the distinction between "trade-marks" and "unfair competition" does not rest upon the kind or quantity of proof necessary to produce conviction of the fact that the defendant's intent was fraudulent, but *upon the inherent difference between the marks themselves*—the one being a specific mark, irrespective of the general appearance of the goods, and the other being the general appearance of the goods, irrespective of any one specific mark upon them. All other differences are merely incidental and not distinctive. It remains to be added that in both classes of cases the wrong is always of the same nature, namely, the selling of one man's goods as those of another; the character of the proof is, as we have seen, substantially the same, the forum is generally the same, the form of action the same and the relief the same.

It therefore clearly appears that the essential differences between "trade-marks" and "unfair competition" reduce to two and only two, namely, (1) that a trade-mark is, and unfair competition is not, always confined to vendible goods, and (2) that trade-mark differs from unfair competition precisely as a specific mark upon an article differs from the general appearance of the entire article.

From the above consideration, it follows irresistably that, in the exclusive use of the word "Elgin" to distinguish its watches from those of other manufacturers, the complainant must be protected, if at all, upon the ground that such word has become its *trade-mark*. Such mark has nothing

to do with the general appearance of the goods, and therefore cannot be protected on the ground of "unfair competition;" it is simply a specific mark, which, when found on a watch, indicates, in the absence of any further explanation, that such watch was made by the great corporation which has been using that mark as its specific trade-mark for a period of thirty-five years past. The mark has long been duly registered as its trade-mark for watches, and therefore, if it be a trade-mark, the federal courts have statutory jurisdiction of the present suit, irrespective of the residence of the parties.

GEOGRAPHICAL NAMES MAY BE USED AS TRADE-MARKS.

"But," it is argued by the appellees, "the word 'Elgin' cannot be appropriated as a trade-mark, because it is a geographical name."

We submit that the point thus broadly taken by the defendants is not good. A geographical name may or may not be a valid trade-mark, according to the circumstances surrounding its appropriation and use, and the signification which it has acquired in connection with such use. If used in its *mere* geographical sense—for example, for the purpose of showing where the goods can be obtained by the public, or of what geographical region the article is a natural product—it becomes essentially descriptive, and therefore is *publici juris;* but if in the circumstances in which it is used it has become substantially divorced from its geographical significance, and has acquired a secondary meaning denoting the particular producer whose goods have been accustomed to be so marked, and distinguishing his goods from those of his competitors, then it is a valid trade-mark. This principle of law is, we think, fully established, not only by reason and sound sense, but by a

great array of cases of the highest authority, among which we may cite the following:

In *Thompson* v. *Montgomery,* 41 Ch. D., 35, 56, the complainants and their predecessors had for a hundred years been brewing and selling at Stone, a town of 6,000 or 7,000 inhabitants in England, a superior ale, marked and known as "Stone Ale." The defendant, an innkeeper at Liverpool, had used and sold this ale and knew its popularity; and he established a brewery at Stone and sold his ale as Stone ale. The court found that he had appropriated the name by reason of the great popularity which the complainants and their predecessors had given it, and enjoined him from its further use; and the House of Lords (A. D., 1891) affirmed this action. In delivering their opinions in the House of Lords, Lord HERSCHELL said:

> " It appears to me idle to argue in opposition to the injunction that it is against the public interest to permit a monopoly of the use of the name of a town for trade purposes when the only effect of allowing its use by the person and for the purpose sought to be restrained would be to deceive the public."

Lord WATSON said:

> " I am of opinion that any attempt by the defendant to sell ale or beer of his own brewing as 'Stone Ales' or as 'Stone Ale' would constitute an infringement of *the plaintiff's right.*"

Lord HANNEN said:

> " Here the evidence has satisfied Chitty, J., and the Court of Appeal, and I think ought to satisfy your lordships, that the respondent had acquired by long usage the names of 'Stone Ale' and 'Stone Ales;' that that name does not merely convey the idea that the beer was manufactured at Stone, but that it was ale of the respondents' manufacture."

In *Wotherspoon* v. *Currie,* 5 H. of L., 508, the complainants manufactured starch at Glenfield which had be-

come generally known as "Glenfield Starch." The defendant commenced manufacturing starch at Glenfield, and sold his goods as "Glenfield Starch." The courts found that he was putting the word Glenfield on his labels fraudulently with the intention of making out that his starch was the starch of the complainants, who had by use acquired the right to the name of "Glenfield Starch," and enjoined him from further use of the name. The House of Lords affirmed the decree. In announcing his opinion, Lord WESTBURY said:

> "I take it to be clear from the evidence that long antecedent to the operations of the respondent the word 'Glenfield' had acquired *a secondary signification or meaning in connection with a particular manufacture.* In short, it had become *the trade denomination of the starch made by the appellant.* It was wholly taken out of its ordinary meaning, and in connection with starch had acquired that peculiar secondary signification to which I have referred. *The word 'Glenfield,' therefore, as a denomination of starch, had become the property of the appellant. It was his right and title in connection with the starch.* Now the question is, has that property been invaded by the respondent? and I take the whole proceedings of the respondent from beginning to end to have been nothing in the world more than a contrivance for getting the word 'Glenfield' associated with his manufacture. If that be true, what the respondent has done has been done *malo animo* with a view of possessing himself of a denomination which was the property of the appellant."

In *McAndrew* v. *Bassett*, 10 Jur., 350, 384, the plaintiffs had for about six weeks been marking their liquorice with the word *"Anatolia,"* the name of a province in Asia Minor. The defendants then began to stamp their liquorice with the same word. The court held that the name was a valid trade-mark, and enjoined the defendants from using it. Lord WESTBURY said:

"An element of the right to the property in a trade-mark may be represented as being the fact of the article being in the market as a vendible article, with that stamp or trade-mark, at the time when the defendants imitate it. The essential ingredients for constituting an infringement of that right probably would be found to be no other than these: First, that the mark had been applied by the plaintiff's properly, that is to say, that they have not copied any other person's mark, and that the mark does not involve any false representation; secondly, that the article so marked is actually a vendible article in the market; and, thirdly, that the defendants, knowing that to be so, have imitated the mark for the purpose of passing in the market other articles of a similar description. . . . Property in the word (Anatolia) for all purposes cannot exist; but property in that word, as applied by way of stamp upon a particular vendible article, as a stick of liquorice, does exist the moment the article goes into the market so stamped, and there obtains acceptance and reputation whereby the stamp gets currency as an indication of superior quality, or of some other circumstance which renders the article so stamped acceptable to the public."

In *Gage-Downs Co.* v. *Featherbone Corset Co.*, 83 Fed. Rep., 213, Judge SEVERENS ably stated the law as follows:

"Upon the arguments and in the briefs a great number of cases bearing upon the subject of the right of a party to appropriate the name of a place as a trade-mark or a trade-name, and wherein the circumstances in which it would be permitted and in which it would not, are extensively discussed. I have examined all the cases which were cited which were accessible, but I have not had the time to make any extended analysis of them upon paper. The circumstances vary greatly, but the underlying principle which is effective in the solution of such cases is that a party may not adopt a mark or symbol which has been employed by another manufacturer, and by long use and employment on the part of that other has come to be recognized by the public as denoting the

origin of the manufacture, and thus impose upon the public by inducing them to believe that the goods which this new party thus offers are the goods of the original party. In other words, it is a fundamental principle that a man cannot make use of a reputation which another manufacturer has acquired in a trade-mark or name, and, by inducing the public to act upon a misapprehension as to the source of the origin, deprive the other party of the good will and reputation which he has acquired, and to which he is entitled. Now, there are many cases in which it has been held that the name of the place where goods are manufactured is not the subject of appropriation, and this may be said to be the general rule, and to be applicable where that is the sole feature of the trade-mark or trade-name, and where the name of the place is used in its primary signification. But the use of the name of the place may, under circumstances, be such as to denote to the eye and mind of the public the name of the person who has, perhaps, by long-continued business in that place, or long appropriation of that name, and being the only person there who has thus appropriated and used that name, produced goods which has gained their favor. In such circumstances the name of the place may acquire a secondary signification, and become, instead of denoting the place where the goods are manufactured, a mark denoting the manufacturer, and in such case, and in the circumstance where the name has thus acquired a secondary signification, a party may use it, and may be entitled, possibly, to its exclusive use. In such a case it depends entirely upon the proof, and, if it appears that the name is used for the purpose of denoting where the goods are made—if this is the primary object—then it is not subject to be appropriated by any one person resident there. All other residents have the like privilege of use. But, if the circumstances of the case show clearly that the use of that name is a means of appropriating the business advantages, good will, and trade-name of the complainant, that is not lawful."

In *American Waltham Watch Co.* v. *U. S. Watch Co.*

(Sup. Ct. of Mass.), 53 Northeastern Rep., 141, it was held that the word "*Waltham*" upon watches made by the American Waltham Watch Company was entitled to be protected against unlawful use upon other watches—a case exactly parallel to the case at bar. A like ruling was made by Judge TOWNSEND in *Am. Waltham Watch Co.* v. *Sandham*, U. S. Cir. Ct., Southern Dist. of N. Y. (A. D. 1899), 96 Fed., 330. Both the Supreme Court of Massachusetts and Judge TOWNSEND held that the word "Waltham" had acquired a secondary signification in connection with watches, denoting a particular manufacturer. This was also the substance of Judge SHOWALTER's reasoning in the case at bar.

In the Waltham cases above cited it may be doubtful whether Judges KNOWLTON and TOWNSEND observed that, under the eminent authorities above referred to, and those which will be hereinafter cited, the fact that the geographical word had acquired such secondary signification imparted to it the character of a trade-mark. They may have meant that it did, but their language upon the point is not clear and is capable of being interpreted in either way. Judge TOWNSEND's statement that the defendant's act was "in violation of the law against unfair trade" would be as true of the violation of a trade-mark as of technical "unfair competition," for the violation of a trade-mark is always "in violation of the law against unfair trade." It is, however, evident from the opinion of the court that the specific word "Waltham" did not dominate the general appearance of the watches; that it was intentionally used by the defendant in imitation of the plaintiff's mark, and that it deceived the public; hence, that it was protectible as a trade-mark, if protectible at all. In the case at bar, Judge SHOWALTER left no doubt as to his meaning that the word "Elgin" is the plaintiff's trade-

mark; and, if there be any difference between his conclusion and that of Judges KNOWLTON and TOWNSEND, he is clearly supported by the great weight of authority.

In *Lea* v. *Wolff*, 13 Abb. Pr., N. S., 389, the court said:

> "Where words or names are in common use, no one person can claim a special appropriation of them to his peculiar use; but where words and the allocation of words have, by long use, become known as designating the article of a particular manufacturer, he acquires a right to them as a trade-mark, which competing dealers cannot fraudulently invade. The essence of the wrong is the false representation and deceit. When the improper design is apparent an injunction should be issued.
>
> "As a general rule, geographical names cannot be appropriated as trade-marks; but the rule has its exceptions, where the intention in the adoption of the descriptive word is not so much to indicate the place of manufacture as to encroach upon the previous use and popularity of another's trade-mark."

In *Manitowoc Pea-Packing Co.* v. *Numsen & Sons*, 93 Fed. Rep., 196; C. C. A., the court said:

> "A man may not use his own name to accomplish a fraud; neither can he use a synonym; nor can he use the name of the city where he lives, or its nickname, to accomplish a like purpose. It is always a question of fraud, but not necessarily of actual fraud. The act, however innocent, is considered constructively fraudulent if the result would tend to unfair trade, to confusion of goods, and to interference with the rights of another."

In *Gebbie* v. *Stitt*, 31 N. Y. St., 102, the court held that a manufacturer will be protected in the use of a geographical name ("*Deer River*") by which his goods are known to the public, against another manufacturer who uses the name for the fraudulent purpose of deceiving customers.

In *Hirst* v. *Denham*, L. R., 14 Eq., 542, the complainant had adopted as trade-marks for certain woolen cloths the

geographical names "Turin," "Sefton," and "Liverpool." BACON, V. C., enjoined the defendant from using them on similar goods.

In *Powell* v. *McNulty*, Cox Trade-Mark Cases, p. 294, No. 526, the plaintiff had adopted the geographical expression "Yorkshire Relish" as a trade-mark for a sauce or relish manufactured by him. The court enjoined the defendant from using it.

In *Taylor* v. *Carpenter*, 3 Sto., 458, the plaintiff had appropriated the word "Persian" for thread, and Judge STORY had no hesitation in enjoining the defendant from using it.

In *Metcalf* v. *Brand*, 86 Ky., 331, the question arose whether the word "Lexington" had become a lawful trade-mark for manufactured mustard. It did not appear whether the plaintiff or the defendant was the first to appropriate it for that purpose; but in discussing the legal question the court said:

> "The name of the place where it is made serves in no possible way to indicate its quality or composition, and where the manufacturer has given it a geographical name, which he was the first to use in connection with the article, it seems to us that it may, from long use in such connection, acquire a secondary meaning, and, instead of designating the place where the article is made, indicate its origin, or that it is the product of a particular manufacturer, or made according to his method. When this is the case, it becomes, in our opinion, a valid trade-mark. The name is no longer used to indicate the place where they are made, but becomes the name of his goods. It gives notice that he is the maker. It, by reason of first and continued use, and association with the name of the article made or sold by him, acquires an understood reference to him. It is the trade denomination of his article. It acquires a secondary meaning in connection with a particular manufacture."

In the cases of the *Vichy* (57 Fed. Rep., 18), *Carlsbad* (57 Fed. Rep., 37; 68 Fed. Rep., 794), and *Apollinaris* (14 Blatch., 380) springs, the several defendants were shown to be using the name fraudulently, and they were all enjoined. There are many other cases where the name of a mineral-water spring has been similarly protected.

In none of the cases above cited, so far as we are aware, was there any charge or evidence that the defendant was simulating the *general appearance* of the plaintiff's goods, but only that he was using or simulating a specific geographical word used by the plaintiff as a trade-mark, and that he was doing it for the purpose of palming off his goods as goods produced or marketed by the plaintiff. These cases are, therefore, all trade-mark cases; and they seem to establish the rule of law that, although geographical names are not universally, or even generally, appropriable as trade-marks, yet where such a name has acquired a secondary signification denoting the goods of a particular manufacturer or dealer it becomes for him a valid trade-mark for such goods.

Nothing could illustrate the differences between "trade-marks" and "unfair competition" more beautifully and delicately than do geographical names in their various uses in trade. We have seen how they become trade-marks when by intimate association with the product of a particular manufacturer they acquire a secondary signification denoting his product in contradistinction to that of all others. In other cases, where they retain only their geographical signification, and are therefore not protectible as trade-marks, they may still, on the ground of unfair comeptition, be protectible as against certain users, while not protectible as against other users. Thus, where a particular town or district has acquired so enviable a reputation for one of its natural or manufactured products as to induce

unscrupulous persons residing elsewhere to use the name *falsely* upon their competing goods, such false use manifestly involves a false and fraudulent misrepresentation, and it has more than once been enjoined on the ground of unfair competition at the instance of some resident producer who felt himself aggrieved by the fraudulent use of the name (*Newman* v. *Alvord,* 51 N. Y., 189; *Lead Co.* v. *Cary,* 25 Fed. Rep., 125). Mr. Justice BRADLEY, however, in the Rosendale Cement case (44 Fed. Rep., 277, and 45 Fed. Rep., 212) held that in such cases, as in cases of public nuisance, suit would not lie on behalf of a private individual, except upon proof of special damage—a position in which Judge PUTNAM afterwards found himself unable to concur. (51 Fed., 852.) In other cases, where a certain article (such as coal, wheat, flour, tobacco, cement, iron, salt, milk and its products, grapes and their products, whiskey, etc., etc.) may be considered the natural product of a certain region, possessing peculiarities due to the soil, water, climate, or modes of manufacture prevailing in that region, the geographical name of the region, when used in connection with the product, is peculiarly and emphatically descriptive, conveying information about its characteristics which can be adequately conveyed in no other manner; hence, the courts invariably hold that all producers of such article in that region, and all dealers in it there and elsewhere, are alike free to use the name,* although if a non-resident were to use it falsely he might, as above stated, be enjoined from such fraudulent use. And finally, there comes the case of an honest manufacturer or dealer who lawfully uses the geopraphical name merely to indicate where his business is situated and

* Even in such case, however, Lord CRANWORTH, in *Seixo* v. *Provezende,* 12 Jur. N. S., 215, required the defendant to use it in such a way as to distinguish his goods from those of the plaintiff.

his goods can be obtained. In this case, if the name have already become the trade-mark for the goods of another manufacturer or dealer, the innocent user must, on the principle of *Singer Co.* v. *June Co.*, 163 U. S., 169, and *Seixo* v. *Provezende, supra,* so use it as to show unmistakably that he does not claim it as his trade-mark; and if there were no real necessity for his using it at all, that fact would incline the courts to totally interdict it to him.

These several classes of cases involving the use of a geographical name upon vendible commodities, and distinguishing between the different kinds of such uses, protecting some and prohibiting others, illustrate the fact that there is no absolute property in a name or mark, but only a right of protection; and they bring out clearly, and emphasize strongly, the admirable statement of this court in *McLean* v. *Fleming,* 96 U. S., 245, 251, as to the circumstances under which that right of protection becomes absolute as a trade-mark, to wit:

> "Where, therefore, a party has been in the habit of stamping his goods with a particular mark or brand, *so that the purchasers of his goods having that mark or brand know them to be of his manufacture,* no other manufacturer has a right to adopt the same stamp; because, by doing so, he would be substantially representing the goods to be the manufacture of the person who first adopted the stamp, and so would or might be depriving him of the profit he might make by the sale of the goods which the purchaser intended to buy"—

a statement of the law which covers the entire ground, applies to all varieties of marks or names geographical or otherwise, reconciles and harmonizes all apparently conflicting authorities, and fills the measure of a completely full and accurate definition of the legal term "trade-mark." *All there is of property right in a trade-mark of any kind is the right of the plaintiff to use it on a particular class*

of vendible goods to indicate their origin, and to prevent others from using it on the same class of goods to indicate the same origin.

Another highly illustrative case, from the House of Lords, is the recent case of *Reddaway* v. *Banham* (A. D. 1896), App. Cas., p. 199, which, although not concerning a geographical name, shows how a merely *descriptive* term may become a valid trade-mark by acquiring a secondary signification denoting the goods of a particular manufacturer. In that case, Reddaway began the manufacture of belting from a yarn similar to that used in making carpets, and gave his product the name "camel-hair" belting, marking his goods with the name "camel," or the figure of a camel, or both together. A great trade in this belting resulted, especially in India and other tropical countries, where it was known under this name, adopted by him, of "camel-hair" belting. The defendant infringed by making belting of the same material and selling it under the same name. When the name was first adopted and its popularity acquired, the yarn was not known to be made of camel's hair; but long afterwards it was discovered that such was the fact, and that the words "camel's hair" were accurately descriptive of the belting. The jury, however, found that in the trade the term had come to signify Reddaway's belting as distinguished from belting made by other manufacturers; that defendant adopted it for the purpose of diverting Reddaway's trade; and that he had actually endeavored, in certain instances, to palm off his goods as made by Reddaway. The House of Lords held that the term had acquired a secondary signification, meaning Reddaway's belting, and enjoined the defendant from using it. The defendant's counsel stoutly argued that the words "Camel's-Hair Belting," used by the defendant,

were the simple truth; but Lord MACNAGHTON disposed of that contention in the following language:

> "Can it be said that the description, 'camel's hair belting,' as used by Banham, is the simple truth? I will not call it an abuse of language to say so, but certainly it is not altogether a happy expression. The whole merit of that description, its one virtue, for Banham's purposes, lies in its duplicity. It means two things. At Banham's works, where it cannot mean Reddaway's belting, it may be considered to mean belting made of camel's hair. Abroad, to the German manufacturer, to the Bombay mill-owner, to the up-country native, it must mean Reddaway's belting—it can mean nothing else. I venture to think that a statement which is literally true, but which is intended to convey a false impression, has something of a faulty ring about it. It is not sterling coin. It has no right to the genuine stamp and impress of truth."

The device thus protected by the House of Lords was clearly protected as Reddaway's *trade-mark*—the public were misled, not by the general appearance of the goods, but by the simulated mark or name fraudulently applied to them by the defendant. If an expression accurately descriptive of the goods and literally true can, by acquiring a secondary signification, become a valid trade-mark, *a fortiori*, a geographical name which has acquired such a signification in connection with certain goods can become one.

These cases are very instructive. They show, beyond question, that there is no arbitrary or technical rule governing the admission of names or marks into the category of trade-marks; that, under proper circumstances, a geographical name, or even a word or phrase accurately descriptive of the quality of the goods, may acquire the legal character and standing of a trade-mark; in other words, that, in the language of Lord JAMES, above cited, it "does

not signify what it is—whether a name, or a symbol, or a fancy name, *or anything else"*—the real and only true test being that given by this court in *McLean* v. *Fleming.*

Objections Considered.

The appellees (defendants below) will undoubtedly argue that our conclusion is inconsistent with the action of the courts in *Columbia Mills* v. *Alcorn* (150 U. S., 460); *Glendon Iron Co.* v. *Uhler* (75 Pa., 467; 15 Am. Reps., 599): *Elgin Butter Co.* v. *Elgin Creamery Co.* (155 Ill., 136), and *Candee, Swan & Co.* v. *Deere & Co.* (54 Ill., 439; 5 Am. Reps., 125); but we submit that it is in entire harmony with all of those cases.

In *Columbia Mills* v. *Alcorn,* the word "Columbia" was claimed as a trade-mark for flour. This court (p. 464) found that "the word 'Columbia,' as a brand upon sacks and barrels of flour, was in use long before its appropriation by complainant;" that it gave no information on the subject of origin, production or ownership (p. 466); that the geographical name "was intended to indicate the quality, or class, or character of the flour" (top of p. 467); that the goods were usually, if not always, sold by sample, and not by their brand, and therefore the brand could not deceive (p. 467); and that the word "Columbia" was as purely geographical a designation as the words "United States," "America," "Minnesota," or "Minneapolis" (p. 466), and then remarked, "These *merely geographical* names cannot be appropriated and made the subject of an exclusive property." Certainly not; as we have already shown, a name "merely geographical" cannot be thus exclusively appropriated, because, in such case, it is purely descriptive and has no secondary signification. Hence, there were in *Columbia Mills* v. *Alcorn,* four fatal defects in the plaintiff's case, to wit (1), the plaintiff was not the

first to appropriate the word for flour; (2) when so appropriated, it denoted the peculiar quality of the flour as a product of the region mentioned; (3) it had not acquired a secondary signification denoting the product of a particular manufacturer, but, on the contrary, retained its "merely geographical" sense; and (4) it had no effect upon the sale of the goods. There is obviously nothing in all this which militates in the slightest degree against our arguments or conclusion.

In *Glendon Iron Co.* v. *Uhler*, the court found, as a fact, that the name of the town, Glendon, was used by the defendant merely in its geographical sense, and said (15 Am. Rep., 603):

> "We are unable to discover satisfactory proof that the appellees adopted their trade-mark with the design of imitating the one used by the appellants. The learned judge was entirely correct in dismissing the bill."

Under such circumstances, as we have already shown, there could be no other conclusion.

In *Elgin Butter Co.* v. *Elgin Creamery Co.*, the case went off on demurrer to the bill for not alleging any fraud or wrong in the defendant's acts—a technical question of pleading.

In *Candee, Swan & Co.* v. *Deere & Co.*, the mark

JOHN DEERE,
MOLINE, ILL.,

used by Deere & Co., plowmakers, at Moline, Ill., was charged to be infringed by the mark

CANDEE, SWAN & CO.,
MOLINE, ILL.,

used by Candee, Swan & Co., plowmakers, at the same

place. The court found, as facts, that at the time when the plaintiff went into business at Moline, Illinois, plows had been, and were being, made and sold by Kinsey, and also by Berry, at the same place, who had been accustomed to brand them with the words "Moline, Ill.," arranged on a horizontal line under the name of the maker arranged in a curved line, as was afterwards done by the plaintiff and defendant. The plaintiff admitted that his trade-mark consisted of the words "*John Deere, Moline, Ill.,*" and not of "Moline, Ill." alone (5 Am. Rep., p. 137); and it was shown that the defendants had never used the words "John Deere, Moline, Ill." The court further found that the defendants had never employed or intended their mark for the purpose of palming off their plows as plows made by Deere & Co., and that it was of such a character that it could not be so used: "*No person of ordinary observation could suppose, in looking at appellants'* (defendants') *brand, that it was designed to palm off their manufacture as that of John Deere, when it told them, as plain as letters and words can speak, that it was not made by John Deere, nor by appellees*" (plaintiffs). (Id., p. 138.) . . . "*Had appellants adopted this trade-mark, or so simulated it as to deceive the public, and with that intent, an injunction might be proper.*" (Id., p. 138.) Under such circumstances, of course, the plaintiff could have no relief—the words "Moline, Ill.," were admittedly not his trade-mark, nor was he the first to use them upon plows; the trade-mark which he did adopt was not infringed; and the expression "Moline, Ill." was employed by the defendants purely in its geographical sense as indicating their place of manufacture, and not for the purpose nor with the effect of diverting away the plaintiff's trade. A stronger case against the plaintiff's right to recover could hardly be stated. In deciding the case, however, the court

briefly discussed the general question of using geographical names as trade-marks (5 Am. Rep., p. 141); but the only authority upon which it relied as supporting its views on that point was *the decision of the lower court* in the Glenfield starch case—a decision which was afterwards, upon the very point in question, wholly overruled and reversed by the House of Lords, as we have already seen. Such discussion, however, was, in the Moline case, entirely unnecessary to the case, and purely academical; for, even if the geographical name were the plaintiff's trade-mark (which it could not be, by reason of its prior adoption and continued use by others), the proofs showed that the defendants had not used it for the purpose or with the result of palming off their plows as the plows of the complainant —hence the case entirely failed to establish any trade-mark liability under the rule stated by this court in *McLean* v. *Fleming*.

There is, therefore, nothing in any of these cases to shake, in the slightest degree, the conclusions at which we have arrived. On the contrary, the fact that in each of them the court, as a reason for declining protection, specifically pointed out the absence of some feature which we have shown to be necessary to establish trade-mark liability, strongly confirms the correctness of our position.

Geographical and Personal Names Compared.

The same principle (secondary signification) thus established with regard to geographical names, and, in the Reddaway case, to a descriptive expression, applies also to personal names, but with a slight modification in practice resulting from the absolute right of every man to use his own name in his business. To accord to a person trade-mark rights in his family name, when so many

others are lawfully entitled to use the same name, is, doubtless, as Vice-Chancellor Wood (Lord Hatherly) says in *Ainsworth* v. *Walmsley*, 12 Jur. N. S., 205, "as strong an instance of trade-mark as can be suggested;" but such trade-marks have long been sanctioned by the highest authority. (See remarks of Mr. Justice Clifford in *McLean* v. *Fleming*, 96 U. S., 245, 252.) Mr. Justice Clifford (p. 252) calls attention to the fact that such trade-marks can be enforced against persons of the same name only in cases of fraud and false representation; and this is what we have referred to above as a slight modification of practice. But it is, in reality, only an apparent modification, and not an exception to the general rule; for no trade-mark can be enforced except to restrain or punish fraud and false representation. (*Canal Co.* v. *Clark*, 13 Wall., 311, 322.) Lord Justice James put the matter plainly in *Thorley's Cattle Food Co.* v. *Massam, supra*, where he says: "But where the defendant sells goods under his own name, and it happens that the plaintiff has the same name, it does not follow that the defendant is selling his goods as the goods of the plaintiff. *It is a question of evidence in each case whether there is false representation or not.*" And it was on such evidence that the Circuit Court of Appeals for the Sixth Circuit, in *Garrett Co.* v. *Garrett*, 24 C. C. A., 173, restrained a man from using his own name, and cited ample authority for such action.

If the personal name of the plaintiff can be protected as a trade-mark, as Mr. Justice Clifford admits in *McLean* v. *Fleming, a fortiori* the name of his place of residence or manufacture should be protected, as a trade-mark, against like fraudulent uses. And this, as we have seen, is the rule adopted by the highest authorities in all cases where the geographical name has acquired a special signification in connection with the plaintiff's goods,

distinguishing them from those of other manufacturers. The principles of law are founded upon reason, and are therefore permanent; and they should be applied with substantial uniformity wherever that reason is found to exist.

Inconsistent Decisions.

We have already intimated that there are several recent decisions of the lower courts which are not reconcilable with *any* theory of the law, and are, therefore, of no weight as authorities, but serve merely to show the mental confusion which exists quite generally on the subjects of trade-marks and "unfair competition," and which ought to be removed by an authoritative and clear statement of the legal principle involved.

One of the cases referred to is *Morgan Envelope Co.* v. *Walton et al.*, 82 Fed., 469 (Fitzpatrick, J.), a suit to enjoin the use of the word "Columbia" upon packages of closet paper. It is perfectly clear that the word was not used in a geographical sense, and that it was not descriptive of the quality of the paper. It does not appear that it was so applied as to dominate the general appearance of the package, nor that the packages of the plaintiff and defendant resembled each other, except in bearing the same name "Columbia." It does, on the contrary, appear that it was the name "Columbia" which caused the goods to sell, by denoting that they had been made by that same manufacturer whose packages, under that name, had theretofore been found satisfactory; and that persons desiring goods of that make asked for "Columbia" paper. Under such circumstances, the name was clearly a trade-mark but the court, evidently not observing the express limitations of Mr. Justice Jackson's language in *Columbia Mills* v.

Alcorn, held, on the strength of that authority, that being a geographical name it could not be a trade-mark. Nevertheless, it proceeded to enjoin the use of the name on the ground of "unfair competition," and apparently in the absence of proof that, except the name, there was any peculiarity in the general appearance of the goods as compared with other goods of that character on the market, or that there was any imitative similarity in the general appearance of the plaintiff's and defendant's packages. Such a decision wipes out all distinction between "trade-marks" and "unfair competition," and renders the law of those subjects completely unintelligible.

Subject to similar comment is the case of *Thomas G. Plant Co.* v. *May Co.,* 100 Fed., 72 (RICKS, J.), relating to an alleged trade-mark on ladies' shoes. The trade-mark was applied inside of the top of the shoe, where it could not be seen without close examination, and it consisted in the letter Q with a long flourish substantially enclosing the words "Queen's Quality." The goods were known on the market, and bought and sold under the name "Queen shoes." Ladies' shoes have been on the market so long in such an infinite variety of style and shape that it would seem impossible for any manufacturer to originate a new style or shape so distinctively his own as to be, on the ground of unfair competition, protectible against use by others. It seems clear from the opinion that the goods were extensively sold on the reputation of the plaintiff, and by reason of the name "Queen" and the plaintiff's trade-mark. The court doubted the plaintiff's right to an injunction on the trade-mark, but awarded it on the ground of unfair competition; and in its reasoning and conclusion it mixed up the law of trade-marks and unfair competition in such inextricable confusion as to render their disentanglement substantially hopeless. Evidently, on the

facts stated, the injunction should have been awarded on the ground of trade-mark or not at all.

We mention these cases (among a great number which might be cited) simply to show the pressing need of some clear pronouncement by the Supreme Court on this subject which shall enable all the inferior courts to distinguish readily between trade-marks and unfair competition. The distinction is simple and clear; but, so far as we are aware, it has never been set forth authoritatively and clearly so as to prevent misunderstanding on the part of the bar and the courts. The requirements of the trade-mark statute, and the jurisdictional necessities of the federal courts in cases of registered trade-marks where there is no diverse citizenship, render it extremely important that the subject should be made perfectly clear.

It only remains for us to show that in the case at bar the word "Elgin," in connection with watches, had acquired a secondary signification denoting a particular manufacturer (the plaintiff), and that the defendants appropriated it for fraudulent purposes. This we will now proceed to do.

"Elgin" a Valid Trade-Mark for Complainant's Watches.

1. At the outset of the discussion of this question, we call the attention of the court to one important fact, to wit, that *the complainant is not an Elgin corporation, but is a Chicago corporation* (Cutter, p. 47, Ans. 50), having its general offices and headquarters in Chicago, and only its shops at Elgin. (*Id.*, Ans. 53; *Hunter*, p. 41, Ans. 21, 22.)

Its original corporate name was "The National Watch Company," and it was not till 1874 that it added the word "Elgin" to its name and became the "Elgin National

Watch Company." (See *Hunter*, p. 39, Ans. 11, 12, and incorporation papers printed on pp. 208 to 211.) *Its commercial business is all transacted at Chicago.* Any person applying to it for goods, whether in person or by mail, would apply to it at its office in Chicago, and not at Elgin. The business public, its customers, would have no occasion to connect it with the City of Elgin, Illinois, nor even to know that its works were located there, unless by chance informed of that fact. Mr. *Cutter* testifies (p. 48, Ans. 61) that such fact is but little known, and that he is often asked, "Where is your factory located?" This effectively disposes of any argument that the complainant uses the name in a "merely geographical" sense. It has no occasion to use the word in that sense, and never has so used it. So far as concerns its commercial business the name is substantially fanciful, and the complainant might just as well have adopted any other word as a trade-mark. But this name, after its original adoption in 1865 as a trade-mark, soon became known all over the world as distinctive of the goods made by that particular Chicago corporation, and its success as a trade-mark was so great that, nine years after its adoption, it forced the company to change its corporate name—*the corporate name not leading to the adoption of the trade-mark, but the trade-mark leading to the adoption of the corporate name.*

2. The following abstract of the evidence will put the facts clearly and fully before the court.

George Hunter, superintendent of the Elgin National Watch Company, testified as follows: On January 1, 1865, the National Watch Company commenced manufacturing watch-movements at Elgin, Illinois, then a small town of four or five thousand inhabitants (p. 38, Ans. 5, 6), but now having a population of about 22,000. (Ans.

7.) At that time, the watch factory nearest to Elgin was at Hudson City, New Jersey (Ans. 9), and there were only two watch factories in this country. (Ans. 10.) May 12, 1874, the National Watch Company changed its name to Elgin National Watch Company (pp. 39, 40.) Its business grew from small beginnings in 1865-'6 up to a daily product of 2,100 watch-movements in the year 1892—a larger output than that of any other watch company in the world. (P. 40.) The reputation of its goods has always been very high, "as good as the best," and it has made great efforts to maintain that reputation. (Pp. 40, 41, Ans. 17, 18.)

The watches and watch-movements made and sold to the trade by this company have always been known all over the world as "Elgin" watches (Ans. 15, 16); and, from the time when it made its first watch-movements, it has always marked the word "Elgin" upon its movements (Ans. 20), by engraving it upon the plates or painting it on the dial or both (Ans. 29), either using the word "Elgin" alone, or using it in connection with other words, as, for example, "Elgin Natl. Watch Co." (Id., Ans. 38 to 44), or "Lady Elgin." (*Cutter*, p. 78, Ans. 129.) The word "Elgin" when it appears on a watch, means the same as "Elgin National Watch Co.," namely, that the watch was manufactured by the Elgin National Watch Company, and means all that the reputation of that company implies. (*Hunter*, p. 45, Ans. 47, 48.) The company, after having for ten years used the word "Elgin" as a trade-mark, registered it as such, in the Patent Office, April 11, 1876. The act of Congress under which that registration was made having been held unconstitutional, and another act passed to take its place, the company re-registered said trade-mark November 14, 1882, but, by some mistake, registered it only as for watch-movements. To correct this

mistake they again registered it in 1892, as a trade-mark for watches, the same as the original registration of 1876. (*Prindle,* pp. 147, 148.)

John M. Cutter, general agent of the Elgin National Watch Company, testified as follows:

He has been in the employ of the complainant since December 11, 1876 (p. 46, Ans. 51), and its general agent since May 1, 1884. (Ans. 52.)* The company has always had considerable foreign trade, extending to every civilized country whose inhabitants carry watches (Ans. 54 to 56), and its watches are sold in every section of the United States. (Ans. 57.) Its watches are known, the world over, as "Elgin Watches" (Ans. 59), and have been extensively advertised under that name ever since witness was first connected with the company. (Ans. 58.) The fact that the company's factory is located at Elgin is but very little known among the general public, and witness has been asked repeatedly, by people familiar with the name "Elgin Watches," "Where is your factory located?" *And, in advising them that it was at Elgin, they would want to know where that place was.* (Ans. 61.)† The word "Elgin" has been known as the name of the watch, and, in witness' opinion, never had any geographical significance in that connection (Ans. 62); it is always placed on every movement made and sold by complainant (Ans 66, 67), and is used throughout the world to distinguish watches containing complainant's movements from all other watches. (Ans. 69.) The word "Elgin" alone has been marked on the dial for the last twenty years, on 10, 8, 6 and 0 sizes (70-73); the reputation of complainant's

* He is, at the present time, vice-president of the Elgin National Watch Company.

† There are thirty-six towns in North America and Scotland bearing the name "Elgin."

watches has no superior (Ans. 63), is of the greatest conceivable value to the company (Ans. 65), and is the result of complainant's efforts to keep the quality of its goods at a high standard. (Ans. 64.) When people desire a watch of complainant's manufacture, they ask for an "Elgin Watch." (Ans. 68.) Complainant makes fully a hundred different grades of movements (Ans. 74), and has from time to time made radical changes in their construction (Ans. 75 to 77), but has applied the word "Elgin" to them all (Ans. 78), not to indicate any particular construction or grade, but to distinguish watches made by the complainant from all other watches (Ans. 79); it also advertises its goods to the public as "Elgin Watches" (Ans. 80), and has spent several hundred thousand dollars in advertising them under this name (Ans. 81, 138); the reputation of its watches is its principal asset, as is attested by millions of people who are using its watches because of their reputation as the best time-pieces (Ans. 112); it is impossible to appreciate the extent to which it would suffer if parties should be allowed to put on the market watch-cases bearing the word "Elgin," and containing movements of inferior quality* (Ans. 112); it is quite impossible for the complainant to detect such frauds, owing to the enormous extent of the distribution of its watches (Ans. 120); witness gives an instance where such fraud was detected by the watch coming in for repairs (Ans. 111); and another instance where inferior movements, cased in defendants' cases, were palmed off on the public as "Elgin Watches," and even advertised as such (Ans. 95

* The notary has omitted a portion of Q. 112 from the record. The question was: "How would the business reputation of your company be affected if a case manufacturer should put upon the market watch-cases bearing the trade-mark 'Elgin,' and they should be used to encase movements of very inferior quality?"—and it was *this* question which Mr. Cutler answered.

to 102); such things, if permitted, would ruin the reputation of the Elgin Watch Company (Ans. 103); there is nothing to prevent rogues from doing this if case-makers are allowed to put the word "Elgin" on the cases (Ans. 98); complainant owns the following registered trade-marks containing the word "Elgin," viz., "Elgin," "Elgin Watch Co.," "Elgin, Ill.," "Elgin National Watch Co.," "Lady Elgin" (Ans. 129); complainant has never advertised "Elgin Movements," but always "Elgin Watches"—the general public wouldn't know what an Elgin movement was, were it to be so advertised (Ans. 140); complainant's movements are adapted to be used in different cases made by different case-manufacturers (Ans. 149); about fifteen years ago complainant manufactured some complete watches, case and all. (Ans. 132.)

After the examination of Mr. Cutter was concluded, the following well-known gentlemen dealing heavily in watches in Chicago, viz., *Julius Schnering* (of Otto Young & Co., wholesale jewelers), *Samuel W. Dripps* (of Benj. Allen & Co., wholesale jewelers), *James L. Rowe* (of Rowe Bros., retail jewelers), *John P. Owen* (of M. A. Mead & Co., wholesale jewelers), *Leo Hettich* (retail watch dealer), *Fred G. Thearle, Jr.* (wholesale and retail jeweler), *Louis H. Schafer* (of Norris, Allister & Co., dealers in watches), *O. C. Hansen* (of Spaulding & Co., dealers in watches and jewelry), and *John Schaub* (salesman for C. D. Peacock), were examined on behalf of complainant, and testified that watches containing complainant's movements are and have for many years been everywhere known and sold as "Elgin Watches;" that the public know and purchase them under that name; that the public, as a rule, do not distinguish between the case and the movement, but simply look upon the whole article as a watch; and that watch-cases marked with the words which the de-

fendants mark on their cases, viz., "Elgin Commander," "Elgin Giant" and "Elgin Tiger" would be liable to deceive the ordinary purchaser, and could be made use of as an instrumentality for deceiving him into buying a watch on the supposition that it was made by the Elgin National Watch Company, when, in fact, its movement was an inferior one not made by that company at all. *Mr. Hettich* further stated that he had lost the sale of a genuine Elgin watch through the fact that another party got hold of the customer before the sale was completed and sold him a bogus watch having an inferior movement in a filled case marked "Elgin," and that a fraudulent concern at one time started, in a basement at the corner of Madison and La Salle streets, Chicago, the business of palming off upon the public such bogus watches and continued it until they were run out of town by the police.

In the decision of this case in the Circuit Court below, by Judge SHOWALTER, a very able authority in trade-mark matters, this evidence was carefully and accurately summarized. (See Tr., pp. 23, 24.) The Circuit Court of Appeals (p. 261) gives an abridged summary, which is correct so far as it goes.

This evidence shows conclusively the continuous and notorious employment of the word "Elgin" by the complainant, for a period of more than thirty years, as a trade-mark, and that it had, in every respect, acquired the characteristics and functions of a trade-mark. If our view of the law is correct, it was, therefore, clearly registrable under the act of Congress, and the federal courts have jurisdiction of this suit. It only remains to inquire whether the defendants have used it with fraudulent intent. On this point, also, the evidence is absolutely conclusive, being, in substance, as follows:

THE DEFENDANTS' USE OF THE MARK FRAUDULENT.

1. While the defendants (appellees) were manufacturing at Chicago, *three years before they removed to Elgin*, they appropriated the name "Elgin" upon their goods and have continued to use it ever since. Their adoption of the word was therefore conceived in fraud, and for the purpose of deceiving the public. It did not indicate the place where their commercial business was transacted, but a place where it was *not* transacted. It did not indicate the place where their goods were made, but a place where they were *not made*. There could be but one motive for this, that their goods should be understood by the public to have been made by the great manufacturing concern at Chicago, whose watches had become famous all over the world as "Elgin Watches."

The history of this matter is as follows: A considerable time prior to May, 1890, *Max C. Eppenstein*, a jeweler, of Chicago, and *Thomas W. Duncan* were associated together in the manufacture of watch-cases in a basement rented from Mr. Blatchford, at 48 Clinton street, Chicago. They appear to have incorporated themselves under the name of Illinois Watch Case Company, Mr. Eppenstein being, and for several years remaining, the first president, after which Mr. Duncan became and still remains president, and Mr. Eppenstein a director. (See testimony of *Thomas W. Duncan*, examined by complainant, pp. 164, 165, 175.) In May, 1890, they moved their business to Elgin, procured a factory and have extended their operations until now they have about 250 persons in their employ. (*Sheridan*, Ans. 32, p. 160; *Duncan*, Ans. 9, pp. 164, 165.)

At the very beginning of their operations at Chicago they appropriated the word "Elgin" *as a trade-mark*, us-

ing it in connection with the the word "Tiger." On August 10, 1893, they applied for registration of the words "Elgin Tiger," *as a trade-mark*, under the provisions of the act of Congress of March 3, 1881; and the registration was granted December 5, 1893. (See copy of registration in evidence, p. 249.) In applying for this registration they were obliged by the statute (Sect. 1) to state *"the length of time during which the trade-mark has been used."* In compliance with this statutory requirement, Mr. Eppenstein, as president of the company, filed a sworn statement, dated July 11, 1893 (see said copy of registration), in which he declared:

> *"This trade-mark has been continuously used by the said corporation since about the 1st day of June, 1887."**

It stands proved, therefore, that their original adoption and use of the word "Elgin" was fraudulent. Its use for three years having been confessedly a fraud, the continuation of that use ever since has been simply a continuation of that fraud. It was not used during those three years for geographical purposes and has not been used since for such purposes. It was adopted and *registered* by the defendant corporation as a *trade-mark* and it has always been used as a trade-mark.

2. The fact above referred to is conclusive evidence that the appellees (defendants) are not using the word "Elgin" on their goods to show where the goods are made, but simply as a fraudulent simulation of the complainant's well-known trade-mark. But it is not all of the evidence

* This sworn statement, made in 1893, shows that Mr. Duncan was testifying falsely on April 14, 1897, when he said (p. 170, Ans. 57), that his company only did business about a year and a half at Chicago before moving to Elgin.

to that effect—there is much more pointing in the same direction.

First. It is unnecessary to mark on their cases the name of the place where they are made. No other watch-case manufacturer does it, except *very recently,* the Dueber Company, of Canton, Ohio. Among the largest watch-case manufacturers in this country are the Keystone Watch Case Company, of Philadelphia, Pa.; Joseph Fahys & Company, of New York City, and the Courvoisier-Wilcox Manufacturing Company, of Bloomfield, N. J. We called as witnesses *Henry M. Carle,* agent of the Keystone Company (pp. 141 to 144), *George Weidig,* agent of Joseph Fahys & Company (pp. 144, 145), and *Samuel C. Payson,* agent of the Courvoisier-Wilcox Manufacturing Company (pp. 145, 146), and they testified unanimously that their companies do not mark the name of their places of business on their watch-cases, and that no case manufacturer in the country does so mark his watch-cases, *except the Illinois Watch-Case Company* and the Dueber Company; and that the Dueber Company had only been doing it about a year. (See *Carle,* Ans. 438; *Payson,* Ans. 566, 567, and *Weidig,* Ans. 555.) The Keystone Company has made between three and four millions of watch-cases (*Carle,* Ans. 431) and the Fahys Company about five millions (*Weidig,* Ans. 450), vast outputs, enormously exceeding that of the defendants. It is therefore untrue that case manufacturers are obliged to mark their product with the name of their place of business. Up to a date less than three months before the filing of the bill in this suit, the defendants were the only case manufacturers in the United States who were doing it. Their course in this respect is broadly exceptional—they stand practically alone. This shows that there are other effective ways in which buyers of watch-cases can be in-

formed where to look for the fulfillment of their guaranties (universally given by case manufacturers; see *Sheridan*, p. 156, Ans. 6), and that all other manufacturers except themselves prefer to make use of such other ways.

Second. No sooner had they located at Elgin, in May, 1890, than they made a strong and persistent effort to steal not merely the complainant's trade-mark, *but also its corporate name.* To this end the conspirators, Eppenstein and Duncan, undertook to change their business name from Illinois Watch Case Company to *Elgin Watch Case Company.* (Cutter, pp. 52, 53; Ans. 88, 89.) The officers of the complainant, however, got wind of it before the transaction was consummated, and themselves incorporated a company under that name, whereby, under the operation of the state laws, the defendants were prevented from assuming the same corporate name. But they were not to be easily deterred from so important a part of their scheme, and they proceeded at once to take out a license to incorporate the "Elgin National Watch Case Company," a still closer simulation of the complainant's corporate name. Upon notice of the granting of such license, the complainant at once filed a bill in the state courts to enjoin the proceeding, and such injunction was granted by Judge HORTON, of the Cook County Circuit Court, who delivered an able opinion December 21, 1892, fully sustaining the right of the complainant as against any such dishonest simulation of its corporate name. (See Judge HORTON's opinion, printed in the Transcript, pp. 109 to 116.) The conspirators then gave up this step of their programme and have since used their own name, "Illinois Watch Case Company." (*Cutter,* Ans. 88, 89.)

Third. They even went so far as to try to build up a *bicycle* business on the complainant's reputation. The complainant was not engaged in the manufacture of bicy-

cles; but its reputation for mechanical perfection and for integrity was so universally known that these conspirators easily saw that bicycles would sell "like hot cakes" if the public could only be led to believe that they were made by the makers of the famous "Elgin Watch." So they went to work to carry out this beautiful scheme as follows:

In 1895 they incorporated (as Mr. Duncan *alleges*) a company for the manufacture of bicycles, called the Elgin Cycle Company (see Duncan's deposition, pp. 95 to 99), of which Thomas W. Duncan, president of the Illinois Watch Case Company, is also president (*Duncan,* Ans. 223); and they have so conducted this business as to cause these bicycles to be sold all over the country as *bicycles made by the complainant.* (*Cutter,* pp. 69-74, Ans. 114 to 120; *Prindle,* pp. 124-127, Ans. 349 to 355.) One of their bicycle trade-catalogues is in evidence as "Complainant's Exhibit Defendants' Bicycle Catalogue," and upon both covers we find displayed the words "Elgin King," *with the picture of a watch between them,* so as naturally to be read "Elgin Watch King," with all that those words imply. On the first page inside is the picture of an *immense factory,* and below it the words: "Factory and Main Office of the Elgin Cycle Co., at Elgin, Ill., Builders of High-Grade Bicycles." The picture is not a picture of the defendants' factory, nor of the Elgin Cycle Company's factory, but, in the extent and general arrangement of the buildings shown, closely resembles the complainant's watch-factory. (See testimony of *George E. Hunter,* pp. 127-129; and photographs therein referred to.) The words "Elgin" (watch picture) "King" on the outside of the covers, are evidently designed to be read in connection with the immense factory represented on p. 1, with the inevitable result that nine readers out of ten, the country over, would be led to believe, as the letters and

newspaper extracts put in evidence by Mr. Hunter show they have been led to believe, that these bicycles are made by the Elgin National Watch Company—a thing which it was evidently believed would make them sell "like hot cakes." (See testimony of *Prindle*, p. 126.)

The so-called "Elgin Cycle Co." is a mere branch and appendage of the Illinois Watch Case Company. The defendants tried to conceal this fact, and Mr. Duncan (p. 165, Ans. 15), on April 14, 1897, swore that it was "a distinct and separate company." Mr. Duncan is president, and Mr. Eppenstein a director, of both companies. (*Duncan*, Ans. 48, 52, 60, 62.) His (Duncan's) testimony, from X-Q. 64 to X-Q. 78 (pp. 171, 172) is so illustrative that we here copy it in full:

"X-Q. 64. What is the capital stock of the Illinois Watch Case Company?

"A. Two hundred and fifty thousand dollars.

"X-Q. 65. Name five of its principal stockholders.

"A. There are not five principal stockholders.

"X-Q. 66. How many stockholders has it?

"A. Is that a question to be answered, Mr. Banning?

"By Mr. Banning: You may exercise your pleasure about answering it.

"A. Answer refused.

"X-Q. 67. Name its principal stockholders?

"A. Answer refused.

"X-Q. 68. What is the capital stock of the Elgin Cycle Company?

"A. One hundred thousand dollars.

"X-Q. 69. Name five of its principal stockholders.

"A. Answer refused.

"X-Q. 70. Name its principal stockholders.

"A. Answer refused.

"X-Q. 71. Is it not a fact that the persons who own the majority of the stock, and control the business of the Illinois Watch Case Company are the

same persons who own the majority of the stock, and control the business, of the Elgin Cycle Works?

"A. Answer refused.

"X-Q. 72. Does the Elgin Cycle Company do business in a building at Elgin, which is an extension of the building in which the Illinois Watch Case Company carries on its business?

"A. It does.

"X-Q. 73. Who built that extension?

"A. Answer refused.

"X-Q. 74. Will you tell me why you refuse to state to the court whether or not the same persons who own a majority of the stock and control the business of the Illinois Watch Case Company are the persons who own the majority of the stock and control the business of the Elgin Cycle Company?

"A. I refuse to answer the question.

"X-Q. 75. Is it not a fact that both of those companies are owned and managed by the same persons?

"A. Answer refused.

"X-Q. 76. Why do you refuse to answer my last question?

"A. Answer still refused.

"X-Q. 77. Who furnished the capital with which the Elgin Cycle Company established and carries on its business?

"A. Answer refused.

"X-Q. 78. Is it not a fact that these two so-called companies are practically but branches or departments of a single concern, which have been incorporated under different names?

"A. Answer refused."

Previously to said examination of April 14, 1897, on behalf of defendants, he had been examined (C. Rec., pp. 95-99) on behalf of the complainant, and at that time, also, he refused to give any information about the management, control, officers or stockholders of the Cycle Company. He admitted that it carries on business in one end of the same building that is occupied by the Illinois Watch Case Company (Ans. 227), and that the latter

company built and owns the building, and owns the machinery therein (Ans. 241, 242, 243); but he refused to say whether the liabilities of the Elgin Cycle Company are contracted in the name of the Illinois Watch Case Company (Ans. 227); whether its officers have never included its assets and liabilities as the assets and liabilities of the Illinois Watch Case Company (Ans. 230); who pays the mechanics that operate its machinery (Ans. 244); who buys the raw material that it works up into bicycles (Ans. 245); and, in general, to give any information about its business. These refusals, of course, tell the story too plainly to admit of any misunderstanding, but, to clinch the matter, we produced and put in evidence a copy of the "*Elgin Daily News,*" of December 19, 1896, containing an advertisement of the business of the Illinois Watch Case Company, paid for by that company (*Reid,* pp. 202-206), and which contains, among other things, the following statement:

> "The Elgin Cycle Company is *a branch of the above company*" (the Illinois Watch Case Company), "devoted to the manufacture of high-grade bicycles."

(See, also, *Cutler,* p. 74, Ans. 119.)

All of Mr. Duncan's floundering was, therefore, useless, as the fact stood already confessed through the public prints; and his reluctance to make a clean breast of it to this court only demonstrates a guilty consciousness of the improper motives and improper business methods of the defendants in connection with their bicycle enterprise. Mr. Duncan, as usual, when on the witness stand, refused to answer any questions about this *Elgin Daily News* advertisement. (See his last deposition, pp. 178, 179.)

The advertisement of the defendants' watch-case and bicycle factory in the *Elgin Daily News* also contains a picture of their building; and we ask the court to compare

it with the picture on p. 1 of their bicycle catalogue, and judge of the motives which dictated the false and deceptive representation contained in the catalogue.

The testimony of Mr. *Cutter* shows that the scheme was successful. The complainant began to be deluged with letters of inquiry about its supposed bicycles, and, in at least one instance, these fraudulent bicycles were actually advertised as *"the product of the famous Elgin Watch Company—that means they're best."* (*Cutter,* pp. 69 to 73.)

Fourth. Another fact shows that the defendants' use of the word "Elgin" was not for the purpose of giving information as to where the goods were made. They were in the habit of marking their watch-cases in several different places, in some of which they used the word "Elgin" without association with "Tiger," "Giant" or "Commander." Thus, in the "Exhibit Elgin Commander Watch Case," here in evidence, we find stamped into the inside of the back cap the words "Guaranteed Elgin 14 k, 20 years." (And see *Duncan,* p. 168, Ans. 38.) This was clearly conducive to their *real* purpose; for it enabled any rascal to put a worthless movement into the defendants' watch-case and then, by calling attention to the words "Guaranteed Elgin," to palm it off upon the unsuspecting as a genuine Elgin watch. "Guaranteed Elgin" could only mean "Elgin Watch," and this was recognized the world over as the complainant's watch. The whole thing was so inconsistent with their pretended purpose of simply indicating where the goods were made, that during the progress of the cause, and evidently upon the advice of their counsel, they stopped marking "Guaranteed Elgin" upon their goods (*Duncan,* p. 168, Ans. 39 to 43)—an obvious confession that they feared its influence upon the mind of the court.

Taking all these things together, the evidence of the defendants' fraudulent intent in appropriating the various indicia of the complainant's business rises to the full measure of demonstrative proof. In the language of Lord WESTBURY in the Glenfield starch case, "the proceedings of the respondent from beginning to end have been nothing in the world more than a contrivance for getting the word 'Glenfield' (Elgin) associated with his manufacture." The simple fact is, that the defendant concern has been playing the part of a parasite—a vermin feeding on the life-blood of the complainant's business. It began this dirty work while still at Chicago; and the removal to Elgin, designed to be followed by the substantial appropriation of the complainant's corporate name, was but a step in the operation. The whole scheme savors of Shylock and Baxter street, and, in all probability, was an emanation from the fertile brain of Max C. Eppenstein, who officiated as president until some time later than February 14, 1894 (see his attestation of that date to the "Elgin Giant" registration), and has been one of its directors ever since, and who had the sagacity to keep away from the witness stand.

INFRINGEMENT—PART 1.

The defendants do not manufacture watch-movements, but only watch-cases; and they stamp the cases with the words "Guaranteed Elgin," "Elgin Tiger," "Elgin Giant" or "Elgin Commander" *confessedly as a trade-mark* and sell them, thus marked, to the Canadian trade, and throughout the United States. As to the sales of the Canadian trade, Mr. *Duncan* at first undertook to lie about it. Thus, on April 14, 1897, when under examination by his own counsel, he testified

(Ans. 27) that the defendants had never "manufactured watch-cases and shipped them abroad—that is, to other countries—or sold them to Indian tribes, on which or in connection with which in any way the word Elgin was used." In making this statement under oath, he forgot that his company had three times given the lie to it in such a way that the complainant's counsel was liable to know the facts, to wit: In the declaration forming a part of the "Elgin Tiger" registration filed August 10, 1893, where Mr. Eppenstein had said, under oath, "that the same is used by it in commerce between the United States and foreign nations or Indian tribes, and particularly with the Dominion of Canada;" again, March 5, 1894, in the declaration forming a part of the "Elgin Giant" registration, where the same words had been repeated and sworn to; and again in the *Elgin Daily News* advertisement of December 19, 1896, where his company had said: "These watch-cases are sold throughout the United States and Canada by the leading wholesale jewelers." It would seem that, after all this, Mr. Duncan could hardly be ignorant of the fact, and that, only about three and a half months after publishing the *Daily News* article, he could hardly have forgotton the fact, especially as the advertisement was in the present tense, indicating that these sales throughout Canada were then (December 19, 1886) actively going on.

At all events, twelve days later than this denial, namely, April 26, 1897, his counsel had evidently gotten some inkling of the situation, for he recalled Mr. Duncan (pp. 175 to 180) and had him admit that the defendants had sold "Elgin Tiger," "Elgin Giant" and "Elgin Commander" watch-cases in Canada.

Strictly speaking, a watch is the "movement" or "works" by which the flight of time is mechanically

watched, registered and indicated to the eye. To protect the delicate mechanism from injury by contact, or dirt, or moisture, it must be encased in a box or case. In handling these "movements" commercially it is customary to enclose each of them in a small round tin box, resembling an ordinary pill-box; but for the purpose of enabling them to be carried in the pocket they are provided with a more elaborate and ornamented box, termed a "watch-case."

Watches and cases are not usually made by the same manufacturer, hence the necessity of making the movements and cases in standard sizes, so that a case of any given standard size will fit any movement of the corresponding standard size. It is a settled rule of law, absolutely essential to the effective protection of trade-mark property, that a trade-mark is infringed just as completely by placing it on the box, cover, case or package in which the goods are contained as by placing it directly upon the goods themselves.

When the defendants, stamping the complainant's trade-mark upon their watch-cases, sell them to the public for the purpose of being used to contain any corresponding size of movement, by whomsoever made, they know to an absolute certainty that some of them, and perhaps the majority, will be used upon movements not made by the complainant, and will falsely indicate that they were of the complainant's manufacture.

These watch-cases, thus fraudulently and deceptively marked, have had their intended effect. It is, in the nature of things, impossible, and the conspirators well knew that it would be impossible, for the complainant ever to learn of one instance out of every thousand instances where buyers have been deceived by them into buying spurious watches as watches made by the complainant. In probably the vast majority of instances, the buyers

never know how or by what means they have been deceived, or, if told that they have been defrauded, they mentally charge the fraud upon the complainant, and take their revenge by traducing it among their neighbors and acquaintances. All they know, of their own knowledge, is, that they bought a watch marked "Elgin," and bought it as an "Elgin Watch," and it turned out to be an inferior and unsatisfactory timekeeper; and they naturally jump to the conclusion that the company which is making and marketing "Elgin Watches" is a fraud and a humbug. Even if told by some neighboring jeweler that they have been deceived by others, and that it is not an "Elgin Watch," they in the future, through fear of again being deceived by the word "Elgin," keep clear of watches bearing that name; so that the complainant's business is injured in every event. And their neighbors and friends, knowing that they have been deceived by watches bearing the word "Elgin," imitate their example, and keep clear of all such watches in the future. Meanwhile, the complainant is in entire ignorance of the whole transaction, and feels the effect of it only when its balance sheets are made up at the end of the fiscal year.

Occasionally, however, direct knowledge of these frauds upon its fair name comes to the complainant. Mr. *Cutter* (Ans. 111) tells how one instance came to its knowledge through the buyer's sending the watch to complainant for repair. Mr. Hittich (Ans. 283 to 293) tells of another instance where a bogus concern was evidently doing quite a business in this way. Mr. *Cutter* (Ans. 98, 99) tells of one concern, Bloomingdale Brothers, of New York City, who actually had the audacity to advertise their bogus watches in the New York Evening *Sun*, as follows:

"SALE OF ELGIN WATCHES.

"Gold filled Elgin Tiger Watches, ladies' or gen-

tleman's size, with 7-jeweled nickel-plated American movements, warranted for five years, value $12; special $6.98.

"Gold filled Elgin Giant Watches'* ladies' or gentleman's size, with 7-jeweled nickel-plated American movements, warranted for 20 years. Value $20.00; $9.98."

In another part of the same advertisement, "5-jeweled solid gold watches with Waltham or Elgin movements," were offered to the public, although neither the Elgin Company nor the Waltham Company ever made a 5-jeweled movement. (*Cutter,* Ans. 100.) Mr. Cutter got a friend to buy one of these Bloomingdale "Elgin Watches," and *it turned out to be one of the defendants' "Elgin Tiger" cases, containing a "New York Standard" movement inferior both in price and quality to the lowest grade of goods made by the complainant.* (*Cutter,* Ans. 101.)

In full illustration of this subject, the court will find some very interesting reading in Mr. *Cutter's* answers 104 to 106, where he offers in evidence some correspondence between the complainant and its Australian agent, Mr. Manson, since deceased. This correspondence detailed the particulars of a gigantic fraud perpetrated upon the people of Australia by one Davis, who claimed to represent Eppenstein & Co., of Chicago, and who advertised for sale "the largest consignment of Elgin and Waltham watches ever offered in the Australian colonies." (P. 63.) It appears (pp. 59-64) that this fellow, Davis, made use of the defendants' "Elgin Commander," "Elgin Tiger" and "Elgin Giant" watch-cases as a means for carrying out his fraudulent transactions, and by it was proceeding on the highway to fortune until the complainant's agent got after him and he was compelled to "skip the the country." We

* Not Elgin Tiger or Elgin Giant watch-*cases*, but Elgin Tiger and Elgin Giant *watches*—mark the fact.

do not know whether or not "Eppenstein & Co., of Chicago," had anything directly to do with this Australian fraud, or with the Bloomingdale fraud; but, of course, they are, in any event, directly responsible for it, because it is the natural and inevitable result of their simulation of our trade-mark. "Eppenstein & Co., of Chicago," means, in substance, the "Illinois Watch Case Company," of which Mr. Eppenstein was one of the founders, the first president, and a present director.

The defendants sell their watch-cases to the wholesale jewelers, and, of course, have no further control of them thereafter. (*Duncan*, pp. 165, 166, Ans. 20, 21, 22.) Hence, there is nothing to hinder any scoundrel from supplying himself with these cases, filling them with worthless movements, and palming the whole off upon the public as "Elgin Watches." This brings the defendants' actions directly under the interdiction of Judge GRESHAM, in *Southern White Lead Co.* v. *Cary et al.*, 25 F. R., 125, where he said: "The defendants sell their goods to retail dealers, and it may be that *such dealers* are not deceived, but they sell to *customers who are or may be deceived,*" and therefore enjoined the defendants. See, also, *Orr, Ewing & Co.* v. *Johnston & Co.*, 40 L. T. N. S., 307; *Sykes* v. *Sykes*, 3 Barn & Cress., 541.

The defendants contend that, as the complainant makes only watch-movements, its trade-mark should be confined to the movements, and not extended to cover cases. This argument *assumes the validity of the trade-mark*, and seeks only to limit the range of its application.

But the trade-mark was adopted, used, and registered, as a trade-mark for *watches*. (See *Hunter*, p. 41; *Cutter*, pp. 46 to 51, and Certificate of Registration, pp. 232, 233.) The public do not buy watch-movements, but watches. Complainant has always advertised its goods as

"Elgin Watches" (*Cutler*, Ans. 140, p. 80); and the general public would not know what an Elgin movement was, were it advertised as such. (Id.) The public understand a "watch" to consist of the case and the works contained within it; they have no knowledge that the two parts are made by different manufacturers; and seeing the complainant's trade-mark on the case, they would inevitably infer that the works were also our manufacture.

Finally, Section 7 of the Trade-Mark Act prohibits the unauthorized use of a registered trade-mark upon "Merchandise of substantially the same descriptive properties as those described in the registration." Now, the defendants' watch-cases are intended for the sole purpose of encasing watch-movements. When that purpose is effected, it results that our trade-mark becomes affixed to "merchandise of substantially the same descriptive properties as those described in the registration"—and this result, prohibited in terms by the statute, is chargeable solely to the acts of defendants. The courts would simply stultify themselves if they permitted the statute to be practically nullified in such a way as this.

Infringement—Part II.

This case also raises another interesting and very important question. The Circuit Court decreed that the defendants had infringed the registered mark both by using it on goods sold or intended for sale *in this country*, and on such goods in foreign commerce. (See Transcript, top of p. 31.) Defendants' counsel moved the court to amend the decree by omitting reference to domestic commerce, but the court refused to make such amendment. (See pp. 32, 33.) The appellee will undoubtedly argue that Judge Showalter was wrong in entering such a decree; and

this raises the question to which we refer, namely, what *is* the offense of infringement of a *registered* trade-mark which, in the statute, is made cognizable by the federal courts without regard to diverse citizenship—does it exist only when the goods made by the defendant are to go into the foreign or Indian trade, or does it exist whenever the registered mark is falsely placed *upon the goods,* irrespective of their destination? *This question, be it observed, is altogether different from that of the original right to register.* It is, of course, conceded that, both under the Constitution and the statute, the applicant's original right to register depends upon his own use of the trade-mark in commerce with foreign nations or with the Indian tribes. It is from such use, and only from such use, that Congress derives the power to legislate on the subject at all. But when, by such use, Congress has acquired the authority to legislate, *then* what follows? Is not that authority plenary? Cannot Congress say that such mark, duly registered under its lawful authority, shall not be counterfeited? It seems to us that this question must be answered in the affirmative—that the mark thus registered becomes, to all intents and purposes, a federal mark, just as the stamp on a coin is a federal mark, and that Congress has power to say that no person shall counterfeit or imitate it and use the counterfeit or imitation upon the same class of goods. At all events, that is what Congress has assumed the power to say, and has said, in that section of the Trade-Mark Act (Sect. 7) which defines the offense of infringement. *As there expressly and carefully defined, the offense consists in reproducing, counterfeiting, copying, or colorably imitating the registered trade-mark and affixing it to the goods; and is complete when that is done, without regard to the intended destination of the goods.* To allow others

to use the same mark in domestic commerce on the same class of goods would render the protection of the statute ineffective even for foreign commerce; because, if the unlawful goods were allowed to be scattered broadcast over the United States, it would be impossible to prevent them from going abroad. There were, therefore, strong reasons urging Congress to make the protection effective by prohibiting others from using the registered mark on the same class of goods for any purpose whatever.

Besides, there is no good reason why the defendant should be allowed to use in domestic trade a trade-mark registered to another for foreign commerce. In order to register the trade-mark at all, the registrant must be its lawful owner, that is to say, he must by prior adoption and continued use have acquired a property right to use it upon a particular class of goods, and under Section 3, it must be a trade-mark which no other person has any right to use on merchandise of the same general description. Under such circumstances as to ownership, the attempt of the defendant subsequently to use it in domestic commerce would clearly be fraudulent and unlawful. Congress would have no object in protecting such a fraud, or paving the way for it, but every reason for preventing it, if possible. At the same time, it would have full *power* to prevent it, as we have shown, by merely providing that no person should reproduce, counterfeit, copy or colorably imitate the registered trade-mark on the same class of goods. *This is exactly what Congress did*, and did it without any limiting words whatever. There is, therefore, every reason for construing the statute broadly in this respect, and absolutely no good reason for construing it narrowly. It is a remedial statute, and must be so construed as to render the remedy comprehensive and effective. It must be pre-

sumed that Congress intended to make the remedy effective.

But it will be argued on behalf of the defendants that the broad definition of the offense of infringement found in the first part of Section 7 is modified and limited by language thereafter occurring in the statute. We respectfully submit that there is no support for that contention; but it necessitates our reviewing the whole act to demonstrate that the defendant's position is untenable. This we will now proceed to do. Section 7 of the Act of March 3, 1881, is as follows:

> "SEC. 7. That registration of a trade-mark shall be *prima facie* evidence of ownership. Any person who shall reproduce, counterfeit, copy or colorably imitate any trade-mark registered under this act and affix the same to merchandise of substantially the same descriptive properties as those described in the registration, shall be liable to an action on the case for damages for the wrongful use of said trade-mark, at the suit of the owner thereof; and the party aggrieved shall also have his remedy according to the course of equity to enjoin the wrongful use of such trade-mark used in foreign commerce or commerce with Indian tribes, as aforesaid, and to recover compensation therefor in any court having jurisdiction over the person guilty of such wrongful act; and courts of the United Sates shall have original and appellate jurisdiction in such cases without regard to the amount in controversy."

It will be observed that this section embraces four provisions. *First*, it defines the offense; *second*, it provides for the recovery of damages by an action at law; *third*, it authorizes an injunction and accounting in equity; and *fourth*, it defines the jurisdiction. These provisions are contained in three clauses, separated from each other by semi-colons—clause one, defining the offense and providing for relief at law; clause two, providing for relief in

equity; and clause three, providing for the jurisdiction. Each of these clauses is complete in sense, and refers to a subject-matter which is substantially integral and complete in itself. Whatever qualification or limitation, if any, may be found in one of said clauses is, therefore, not to jump the terminal semi-colon and run forward or backward into the adjacent clause, because the sense does not require it. The semi-colons were evidently inserted to keep the three clauses apart, so that each might be read as complete in itself; and it will be observed that each clause might have terminated with a period, without in any way affecting the sense.

Clause 1 defines the offense without limiting it to the unlawful use of the trade-mark in commerce with foreign nations or Indian tribes. Under the definition there given, the gist of the offense is the counterfeiting of the mark, and any use of the counterfeit upon goods of substantially the same descriptive properties as those described in the registration, is unlawful. Under the same clause, an action for damages at law may be maintained, without reference to the kind of commerce in which the defendant's goods are employed. The omission of any such limitation must have been intentional; for Congress could not have read the clause, even hastily, without observing its unlimited character, and without seeing the necessity for adding a limitation if they intended one. It does not contain the slightest suggestion of any limitation; and it is to be read as it stands, for there is nothing in it to construe.

This formal definition gives the dominant tone of the whole composition. Everything else must resolve in substantial harmony with it; otherwise, the entire piece will be only a series of unintelligible discords. Congress cannot be presumed to have formally stated the exact nature of

the offense, and then to have added other provisions inconsistent with such statement. Every doubtful expression in the statute must be construed to harmonize with this controlling definition; and, as will soon appear, this can be readily and easily done.

Clause 2, entirely separated from clause 1 by the semi-colon, provides for relief in equity. The offense to be relieved against is the same offense as is described in clause 1; and the obvious meaning is that the remedy by injunction shall be given in equity, under clause 2, wherever the remedy by damages would be given at law, under clause 1, or, in other words, wherever the registered mark shall have been wrongfully reproduced, counterfeited, copied, or colorably imitated, and affixed to merchandise of substantially the same descriptive properties as those described in the registration.

But in drawing clause 2, the author of the act departed from the simple and clear phraseology of clause 1, and said: "And the party aggrieved shall also have his remedy according to the course of equity to enjoin the wrongful use of such *trade-mark used in foreign commerce or commerce with the Indian tribes, as aforesaid.*" What do these words which we have italicised mean? Do they mean trade-mark used by the *defendant* in foreign commerce or commerce with the Indian tribes, as aforesaid, or trade-mark used by the *complainant* in foreign commerce or commerce with the Indian tribes, as aforesaid? That is to say, are they merely descriptive *of the complainant's registered mark*, already thrice mentioned in the act (Sections 1, 2 and 3), as used in commerce with foreign nations or with Indian tribes, or, on the other hand, are they descriptive *of the defendant's unlawful act (which, upon examination, will be found not previously mentioned in the statute as limited to goods in foreign commerce or com-*

merce with the Indian tribes)? The appelle will argue that they are descriptive of the defendant's unlawful act, and limit the offense to goods used by him in foreign commerce, etc. We contend on behalf of the appellant that they are merely descriptive of the complainant's registered trade-mark. On the question thus squarely presented, the following considerations impress us as of great force, if not absolutely conclusive:

1. The offense mentioned in clause 2 is evidently the same offense that in clause 1 is defined without any limitation to a use by defendant upon goods entering into foreign commerce, etc.

2. Clause 1 is *the defining clause,* plainly intended to define the offense, so that the courts might clearly understand in what it consists. Congress would, of course, be very careful in selecting language for this, the most important thing in the whole act, and would be certain not to omit an essential element of the definition. Clause 2 was not intended as a defining clause, but merely to add the remedy in equity to that already given at law; and it should be construed in this light.

3. It cannot be conceived that the author of the act meant, in clause 2, to vitally modify the formal definition of the offense as given in clause 1; for, if he perceived a fault in clause 1, he would certainly have then and there corrected it *by amendment,* and not by using different language in clause 2, inconsistent with the definition already given, and sure to result in doubt as to the proper construction of the statute on its most important point. He and the committees of the House and Senate who reported the act evidently understood the language of clause 2 as being entirely consistent with that of clause 1; for, otherwise, it is incredible that they should have allowed both expressions to stand in the same section.

4. It *is* entirely consistent with that of clause 1, if the expression "such trade-mark used in foreign commerce or commerce with Indian tribes, as aforesaid," was intended as simply descriptive of the complainant's registered trade-mark.

5. The language employed in clause 2 indicates very strongly that it was intended as descriptive of the complainant's mark, and not of the infringer's offense.

(*a*) On the theory that it was intended as descriptive of the infringer's offense, the words "used" and "as aforesaid" are absolutely redundant and useless, and no intelligent writer would ever have employed them. On that theory, what the writer meant was: "to enjoin the wrongful use of such trade-mark *in* foreign commerce or commerce with Indian tribes;" and he would certainly have said so, in simple plain terms, and then have gone back and amended clause 1 to render both clauses consistent.

(*b*) The coupling of "use" and "used" in the sentence in question, *to indicate the same act*, is so grotesquely unpolished, awkward and unnecessary as to be incredible of any writer who was not a mere ignoramus. But if he meant by them *two different things*, then their employment is clearly accounted for. By *"use"* he certainly meant the defendant's use; and the indication is that by "trade-mark *used* in foreign commerce or commerce with Indian tribes, as aforesaid," he was merely describing the complainant's registered mark. He was dealing with the infringement of the trade-mark. *Whose* trade-mark? The complainant's. *What* trade-mark? The complainant's trade-mark used in foreign commerce or commerce with Indian tribes—that is to say, complainant's *registered* trade-mark. He used the whole expression, "trade-mark used in foreign commerce or commerce with Indian tribes,

as aforesaid," to designate *the thing that was infringed*, and not the act of infringing it.

(*c*) This conclusion is rendered substantially certain by his employment of the words *"as aforesaid."* These words refer back to something antecedently mentioned, and were intended to direct the mind of the reader back to such prior mention. They indicate that the expression "used in foreign commerce or commerce with Indian tribes" had already been employed in some earlier portion of the statute, and that the author considered it advisable to refer the reader back to such prior use of it, in order to prevent any misunderstanding of its meaning when thus repeated in clause 2.

Now, referring back to the prior portions of the act, we find this expression used three times (Sections 1, 2 and 3) —*every time as descriptive of the complainant's trade-mark, and never with any relation to the defendant's unlawful doings.* When, therefore, the author employed the words, "as aforesaid," he did not mean that the defendants' "wrongful use of such trade-mark . . . in foreign commerce or commerce with Indian tribes" had before been mentioned (for it had not), but that the *complainant's* "trade-mark used in foreign commerce or commerce with Indian tribes" had before been mentioned (which was true).

It will be interesting to compare these four uses of the expression. They are as follows:

Sec. 1: ". . . Trade-marks used in commerce with foreign nations, or with the Indian tribes."

Sec. 2: ". . . used in commerce with foreign nations or Indian tribes, *as above indicated.*"

Sec. 3: ". . . used as such by the applicant in foreign commerce or commerce with Indian tribes, as above mentioned."

Section 7, clause 2: ". . . used in foreign commerce or commerce with Indian tribes, *as aforesaid.*"

It seems to us to be evident that the terms "as above indicated," "as above mentioned," and "as aforesaid," were all intended to refer back to the primary definition in Section 1. The phrase "used in commerce with foreign nations or with the Indian tribes" had by these frequent repetitions become associated in the author's mind with the complainant's trade-mark; and it was perfectly natural that when he came to clause 2 of section 7, he should again think of it and use it in the same sense. The operation of his mind when drafting clause 2 seems to have been as follows:

He writes the words "to enjoin the wrongful use of such trade-mark;" then the idea flashes into his mind that those words are not sufficiently definite, and he completes the expression in the form stated: "Trade-mark used in foreign commerce or commerce with Indian tribes," and clinches the whole thing with "as aforesaid," referring back to Section 1. Of course, when he says "wrongful use of such trade-mark" he means wrongful use of the *complainant's* trade-mark, for that is the trade-mark that is wrongfully used; and when he says "wrongful use of such trade-mark used in foreign commerce or commerce with Indian tribes, as aforesaid," he means the complainant's registered trade-mark, whose essential characteristic of use in commerce with foreign nations or Indian tribes had been "aforesaid" in the statute.

It is possible, nay, quite probable, that the author of the act copied the expression "trade-mark used in commerce with foreign nations or with the Indian tribes" *from the opinion of this court in the Trade-Mark cases, 100 U. S., where it is repeatedly used as descriptive of the registrant's trade-mark.* Thus, on p. 97, after stating that the

Trade-Mark Act of 1870 contained no recognition of the principle that Congress was constitutionally restricted to trade-marks entering into foreign and interstate commerce, this court said (near the top of the page):

> "We would naturally look for this in *the description of the class of persons who are entitled to register a trade-mark.*" . . . (Further down, and still relating to registrant): "If, for instance, the statute described persons engaged in a commerce between the different States, and related to the use of trade-marks in such commerce, it would be evident that Congress believed it was acting under the clause of the Constitution which authorizes it to regulate commerce among the States." . . . (Below the middle of the page): "Here is no requirement that *such person*" (meaning the registrant) "shall be engaged in the kind of commerce which Congress is authorized to regulate." . . . (Near the bottom of the page): "The remedies provided by the act (p. 98) when the right of the owner of the registered trade-mark is infringed are not confined to the case of a *trade-mark used in foreign or interstate commerce*" (by the registrant). . . . (Second paragraph of p. 98): "It has been suggested that if Congress has power to regulate *trade-marks used in commerce with foreign nations and among the several States.*" . . . (Middle of p. 98): "First, the indictments in these cases do not show that the trade-marks which were wrongfully used were trade-marks used" (by anybody) "in that kind of commerce."

These repeated references to the registrant's *"trade-mark used in"* foreign or interstate commerce, describing such trade-mark again and again with said qualifying words attached, would naturally impress themselves upon a lawyer's mind, and cause him, in drafting a new Act of Congress which should be free from the criticism made by the court upon the former act, to use the same descriptive words so plainly considered by this court to be the proper and preferred form of expression for the registrant's trade-

mark. In that connection, we call particular attention to the passage last above quoted, where this court, speaking of the defendant's infringement, described "the trade-marks which were wrongfully used" (namely, the *registrant's* trade-mark) "as trade-marks used in that kind of commerce."

Turning, now, to the clause 2 of Section 7 of the present act, we find that the author has almost literally copied the language of this court, describing the infringement as "the wrongful use of such *trade-mark used in* foreign commerce or commerce with the Indian tribes, as aforesaid"! Is it not perfectly clear that he had the opinion of this court under his eye, and simply copied its description of the registrant's trade-mark, and its reference to the infringement as the "wrongful use" of such trade-mark? This, at once and completely, accounts for his peculiar phraseology, "wrongful *use* of such *trade-mark used in* foreign commerce or commerce with the Indian tribes," and justifies his addition of the words *"as aforesaid"* referring back to Section 1.

(*d*) Under the appellees' theory, the word "used" found in clause 2 is not only inelegant, but is rhetorically incorrect. To complete the sense the word "when" should be coupled with it, so as to make the clause read "to enjoin the wrongful use of such trade-mark *when* used in foreign commerce or commerce with Indian tribes." But, even then, although the sense is made clear, the words "when used" are still entirely superfluous, and no competent writer would think of employing them, much less the word "used" alone. Under well-settled rules of law, a construction which renders a word superfluous and unmeaning is not to be accepted. It is inconceivable that a writer would introduce the word "used" in such a way as to add

nothing to the sense, and to render doubtful that which would be perfectly clear in its absence.

6. It may be argued that the words "as aforesaid" refer back to the "wrongful use," and mean "wrongful use . . . *as aforesaid.*" On this assumption, we must look back in the statute to find where "wrongful use" was previously mentioned. We find it in clause 1 of the same section, where it is carefully defined as reproducing, counterfeiting, copying or colorably imitating, the registrant's trade-mark, and applying it to the same class of merchandise—irrespective of the question whether it was thus "wrongfully used" in foreign or domestic commerce. Therefore, if the words "wrongful use as aforesaid," in clause 2, refer back to the "wrongful use" mentioned in clause 1, then the "wrongful use," of clause 2, consists in copying or imitating the registrant's *trade-mark used in foreign commerce or commerce with Indian tribes,* and has no relation to the intended destination of the infringer's goods. Otherwise, the two clauses would be obviously inconsistent with each other.

7. The language of clause 1 of section 7 is perfectly clear. That of clause 2, as we have seen, is doubtful, being, possibly, capable of two different interpretations, one of which is consistent, and the other inconsistent, with clause 1. In such cases, well-settled rules of legal construction require that interpretation to be adopted for the doubtful clause which is consistent with the clear antecedent clause.

8. But the appellees would not be content with a solitary violation of settled rules of construction—they would have the court go still further, and, after adopting an unjustifiable interpretation of the doubtful clause, force such interpretation backward into the clear language of clause 1 as an important and radical amendment thereto. Clear

language in one part of a statute may be used to explain doubtful language in another part; but it is simply absurd to argue that doubtful language in one part can be used to pervert clear language in another part. No rule of legal interpretation permits any such proceeding; and "common sense" condemns it. There is no indication in the statute that Congress intended any such amendment of clause 1; and when we consider that it is the *defining* clause, and therefore must have been most carefully scrutinized by the Congressional committee who reported the bill, our conclusion seems unavoidable.

9. But, since the court cannot go back and amend clause 1 by simply adopting the inconsistent interpretation of clause 2, then we have this result, viz.: By clause 1, an action *at law* may be brought for any use of the counterfeit mark upon goods in either foreign or domestic commerce; whereas, by clause 2, upon the appellees' assumption, a suit *in equity* can be brought only when the counterfeit is used in foreign commerce or commerce with Indian tribes. The offense—counterfeiting the registered mark and using the counterfeit in commerce on the same class of goods—is, of course, the same offense in both cases; and Congress evidently intended to give the rightful owner his choice of remedies in either case—whereas, the false interpretation assumed by the appellees gives him the powerful and complete remedy in equity in the one case, and forces him into a multiplicity of petty damage suits in the other case. It is safe to say that no such hotch-potch legislation was within the intention of the national legislature. The way out of the tangle is simple and clear, namely: Give the doubtful clause 2 that interpretation which is consistent with the non-doubtful clause 1, and which, therefore, the law requires to be given it. The

remedies at law and in equity then becomes coterminous, as they were evidently intended to be.

For these reasons, we submit that in clause 2 the expression "trade-mark used in foreign commerce or commerce with Indian tribes" must be construed as simply descriptive of the complainant's trade-mark. So construed, all doubt and difficulty vanish, and all parts of the statute become perfectly consistent with each other. *There is no difficulty in construing the expression, unless we attempt to make it apply to the defendant's use,* then comes doubt, conflict with other clauses of the statute, the necessity of construing some of the words as superfluous and unmeaning, the difficulty in accounting for the use of the expression "as aforesaid," the assumption that the author found his defining clause incorrect and did not take the trouble to amend it, the absurd limitation of equity jurisdiction, and the inevitable conclusion that the statute was drawn by somebody who did not know how to use the English language elegantly or even correctly.

The same expression is again used in Section 11 of the act, which provides that the federal courts shall not take cognizance of any actions between citizens of the same state "unless the trade-mark in controversy is used on goods intended to be transported to a foreign country, or in lawful intercourse with an Indian tribe." This condition is fulfilled in all respects if the *complainant* so use the trade-mark; and it seems merely to have been the intention of Congress that in such cases he should *prove* his *bona fide* use in foreign commerce. There was a special and peculiar necessity for such a requirement. The legality of the registration, and the consequent jurisdiction of the federal courts, depend upon use in foreign trade by the registrant; and, in the absence of such requirement, he might establish the federal jurisdiction by procuring the registration under

a false allegation of such use in foreign trade, or by colorably sending a few samples abroad prior to the registration. Congress intended that the registration, and suits to enforce the rights given by it, should be based upon a *bona fide* use in foreign commerce. In cases where federal jurisdiction depends upon diverse citizenship the matter is of no consequence; but in cases where both parties are citizens of the same state it therefore, in order to prevent fraud, became substantially necessary to require the complainant to prove that his trade-mark is actually used by him in foreign commerce. If Congress had intended to limit the provision of Section 11 solely to trade-marks so used by the *defendant*, it would assuredly have said so in plain terms; and it could not have passed unnoticed the fact that such limitation was inconsistent with the broad definition of the offense given in clause 1 of Section 7, nor have failed to remove the inconsistency by amending clause 1.

Now, if there were any *need* of forcing the narrow construction upon the statute—if a different construction would invalidate it, or transcend the powers given to Congress by the Constitution—the case would be different, and the courts might be obliged to restrict the words to the defendant's trade in order to save the statute. But no such necessity exists. As we have already shown, the powers of Congress are ample to prohibit any mark which is used in foreign commerce or commerce with Indian tribes from being used on the same class of goods in any other kind of commerce, or to impose on any such use any conditions deemed to be proper. Congress, therefore, had full authority to make clause of Section 7, and also the provision of Section 11, dependent entirely upon the complainant's use of the trade-mark.

It must be remembered that Congress was legislating in

the interests of the *owners* of trade-marks, who have the exclusive right to use them, and that any infringement of such mark, either in domestic or foreign commerce, is a fraud, and unlawful at common law. As we have already said, Congress could have no object in protecting such frauds, or paving the way for them, but every reason for preventing them as far as possible. In all cases where the owner's use in foreign commerce brings the mark under the protection of Congress, it *could* prevent them, by simply inhibiting their fraudulent simulation or use by others —and this is exactly what it did. There is every reason, therefore, for construing the statute broadly in this respect, and none for construing it narrowly.

There is still another ground on which we were entitled to a decree that the defendants' use of our trade-mark in domestic commerce was a violation of our rights.

The complainant owns the exclusive right to use this trade-mark upon watches, and any unauthorized use of it by others, whether in foreign or domestic commerce, is a violation of that right, against which the complainant is entitled to relief in any court of competent jurisdiction. The complainant's use of the mark in its foreign commerce, its registry of the mark according to Act of Congress, and the defendants' use of it in their Canadian commerce, unquestionably give the federal courts jurisdiction, and establish the complainant's right of recovery for the unlawful Canadian use. But it is a well-settled rule of equity practice, that, the jurisdiction of the court having attached and the right to recovery been established, the whole controversy between the parties will be drawn in and settled under one decree.

Brooks v. *Stoller,* 3 McLean, 523, 529.

Ober v. *Gallagher,* 93 U. S., 199, 206.

Russell v. *Clark's Ex'rs.,* 7 Cranch, 69, 89.

Gormley v. *Clark*, 134 U. S., 338, 349.
Leighton v. *Young*, 3 C. C. A., 176, 195.
Pearson v. *Darrington*, 21 Ala., 169.
Armstrong v. *Gilchrist*, 2 Johns. (N. Y.), Ch., 424, 431.
Rathbone v. *Warren*, 10 Johns. (N. Y.), 587.
Souder's Appeal, 57 Pa. St., 498.
Sanborn v. *Kittredge*, 20 Vt., 632.
McMurray v. *Van Gilder*, 56 Iowa, 605.
Handley v. *Fitzhugh*, 1 A. K. Marsh. (Ky.), 24.
Keeton v. *Spradling*, 13 Mo., 321.
Martin v. *Tidwell*, 36 Ga., 332.

Whether, therefore, the federal courts would or would not have jurisdiction of a suit for infringement in domestic commerce alone, they do undoubtedly have jurisdiction of the suit now pending, and should settle the whole controversy by their decree.

Concluding Remarks

(1) In the case at bar, the defendants' fraudulent intent is so clear and conclusive that they are entitled to no clemency from a court of equity. In *Singer* v. *June*, *City of Carlsbad* v. *Schultz*, *Seixo* v. *Provezende* (*supra*), and other cases, *there were special circumstances which justified the defendants in using the name complained of*, but they were required to use it in such a way as to protect the plaintiff's rights from injury. On the other hand, in *Garrett* v. *Garrett* (C. C. A., 6th Circuit, 78 Fed., 472), and in the Stone Ale case, the Glenfield Starch case, the Reddaway Belting case, the Anatolia Liquorice case, and many other cases, *where the defendants' fraudulent intent was unmistakable*, the courts absolutely enjoined the use of the offending word, which in some of those cases was a

personal name, in others a geographical name, and in others a descriptive expression. In the case at bar, we have proved by the example of the leading watch-case manufacturers in this country that it is not necessary for a party engaged in that business to mark upon his goods the name of his place of business. We have proved that the defendants falsely used the word "Elgin" upon their goods for more than three years before they moved their shops to Elgin, which not only proves their fraudulent intent, but shows unmistakably that, in this class of business, it is not necessary to mark the place of business upon the goods—even a false name of the place of business seeming to do no harm; we have shown by their own certificates of registration that they use the name not in its geographical sense, but as a conspicuous part of their *registered trade-mark;* we have shown that they tried to steal the substance of the plaintiff's corporate name, and were only prevented by the strong arm of the courts; and we have shown that they have even used the plaintiff's great reputation for the promotion of their bicycle schemes. Under such circumstances, we submit that we are entitled to an injunction absolutely prohibiting them from using the word "Elgin" in any connection with watches or watch-cases.

2. The circumstances of this case are so exceptional, and the defendants' fraudulent conduct so clear, as not only to appeal strongly to a court of equity for relief, but also to show that in granting such relief the court will not establish an unwise precedent to trouble bench and bar hereafter. In granting such relief, it will not be necessary to hold that geographical names may always, nor even generally, be registrable as trade-marks; but only to hold, with the great English judges, that when a geographical

name has by long use acquired a secondary signification denoting a particular manufacturer, it may be registered as his trade-mark, and, like all other trade-marks, will be protected against those who appropriate it for fraudulent purposes. More than this is not necessary; less than this is not equity.

3. Judge SHOWALTER (Tr., p. 31) was right, we submit, in decreeing that the defendants infringed by their manufacture in this country, and their sales, both here and abroad; but, this being true, he was wrong in limiting his injunction to sales abroad. In *Garrett* v. *Garrett, supra*, the Circuit Court of Appeals enlarged the scope of the injunction granted below; and we submit that the present case is also a proper one for an enlargement of the injunction. If this court should doubt the propriety of its enlarging the injunction on this appeal, it can, at all events, express its opinion as to our original right to a larger injunction below, and leave us to move for an enlargement when the case gets back to the Circuit Court, to which, we respectfully submit, it should be remanded for further proceedings in conformity to law and to the directions of this court.

Respectfully submitted,

LYSANDER HILL,
GEO. S. PRINDLE,
Counsel for Appellant.

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JAMES H. MCKENNEY
Clerk

Arg't of Hill for Appt.

Filed Dec. 26, 1900.

Supreme Court of the United States.

OCTOBER TERM, A. D. 1900.

No. 121.

ELGIN NATIONAL WATCH COMPANY,
Appellant,

vs.

ILLINOIS WATCH CASE COMPANY, THOMAS W. DUNCAN AND MEYER ABRAHAM,
Appellees.

ORAL ARGUMENT OF MR. LYSANDER HILL ON BEHALF OF APPELLANT.

DECEMBER 5th AND 6th, 1900.

EASTMAN BROS., LAW PRINTERS, 255 DEARBORN ST., CHICAGO.

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ORAL ARGUMENT OF MR. LYSANDER HILL ON BEHALF OF APPELLANT, DECEMBER 5TH AND 6TH, 1900.

Mr. Hill said:

This suit was brought in 1896 in the Circuit Court of the United States for the Northern District of Illinois, to establish the exclusive right of the plaintiff to the use of the word Elgin as a trade-mark for its watches.

It adopted this trade-mark in 1865, upon the very first watches which it manufactured and put upon the market for sale; and from that time to the present moment it has continuously employed the word as a trade-mark for its watches upon the entire product of its factories.

In 1876 it registered this trade-mark under the provisions of the Act of 1870. This court, having thereafter held the provisions of said act, so far as they related to trade-marks, unconstitutional and void, Congress, on

March 3rd, 1881, passed another act to take its place; and the plaintiff registered said trade-mark under the provisions of the new act. There being a mistake in this latter registration, the mark was afterwards reregistered to correct the error.

Both parties to this suit are Illinois corporations; the federal jurisdiction, therefore, depends not upon diverse citizenship, but upon the provisions of the Act of March 3rd, 1881, authorizing the registration of trade-marks and giving the Federal courts jurisdiction over registered marks.

In the Circuit Court, Judge Showalter, one of the ablest trade-mark lawyers in the country, after careful investigation of the case, held the trade-mark valid and infringed. The Circuit Court of Appeals, upon defendants' appeal, reversed Judge Showalter's decision and directed the bill to be dismissed. We are here on appeal from the decree of the Circuit Court of Appeals.

In rendering its decision, the Circuit Court of Appeals raised the question of the constitutionality of the Act of March 3rd, 1881, a question not raised or discussed in the court below nor in the Court of Appeals. The judges did not directly hold in plain words that the act is unconstitutional, but they assumed that it is not to be accepted as constitutional, and based their judgment upon this assumption, saying (Tr., p. 265), that the jurisdiction of the Federal courts in a suit of this kind "*is of so doubtful a nature and so limited in extent and under an act of doubtful constitutionality, that we must decline to exercise it.*" Elsewhere in the opinion (Tr., p. 263), they say: "There has been no ruling upon the constitutionality of this act, *and it need only be said that its validity is fairly doubtful.*" And they conclude their opinion with the statement: "It

is therefore not becoming, as we think, to assume a doubtful jurisdiction under a statute of doubtful validity."

I call the attention of this court to the fact that the Circuit Court of Appeals appears to have entirely forgotten the familiar rule of law whereby a solemn act of the legislature is not pronounced unconstitutional upon a mere doubt, but only where its unconstitutionality is clear and unquestionable.

Under the assignment of errors in this case there are four main questions to be discussed and decided, to wit:

1. Is the Trade-Mark Act of March 3rd, 1881, constitutional?

2. In view of the proofs of this cause, was the word "Elgin" lawfully registrable by the appellant (complainant) as a trade-mark for its watches?

3. In view of the proofs of this cause, were the appellees, by using on their watch-cases the word "Elgin" as a prominent and conspicuous feature of their own alleged trade-mark, guilty of infringing the rights of the appellant?

4. Assuming that the appellees were guilty of infringement, as aforesaid, is the appellant entitled to recover from them for their use of said trade-mark on goods sold in this country, as well as on those sold abroad?

I should like to discuss orally all these four questions, but time will not permit me to do so. I shall, therefore, omit any oral discussion of the question of the constitutionality of the act, and, with the permission of the court, will submit that question upon my printed brief and argument, where it will be found fully treated in the first part of the brief, commencing on page 4 and ending on page 21. I shall also submit on printed brief and argument the discussion of another legal question, namely, that which I have numbered as the fourth question, in my statement of the

four main points which are to be argued. This question is discussed under the heading "Infringement—Part II" in the latter part of my printed brief, commencing on page 79 and ending on page 95. The question arises under the phraseology of the Act of March 3rd, 1881. That act stated, in terms, that the infringement of a registered trade-mark consists in reproducing, counterfeiting, copying or colorably imitating any trade-mark registered under that act, and affixing it to merchandise of substantially the same descriptive properties as those described in the registration. If interpreted as its words plainly imply, it renders the defendants liable for the use of our trade-mark on goods entering into domestic commerce as well as those entering into foreign commerce. I have discussed the whole matter carefully and fully in the printed brief, and shall not have time to consider it further here in the oral argument.

I am satisfied that after consideration your Honors will come to the conclusion, if you have not already heretofore arrived at that conclusion, that the constitution has conferred upon Congress ample power to legislate with respect *to all kinds* of commercial marks used upon goods which enter into commerce with foreign nations or with the Indian tribes.

The first question that arises, therefore, is how, and to what extent, has Congress in the Act of March 3, 1881, exercised the power thus conferred upon it. An examination of the act shows that Congress has not attempted to legislate with respect to all kinds of commercial marks used in such commerce, but has confined itself to one class of marks, namely, trade-marks—and has not given us its definition of the term "trade-mark."

Inasmuch as the controversy here is over the right to use the word "Elgin" as a trade-mark for watches, and in-

asmuch as this right is disputed by my learned friend who represents the appellees on the ground that the word "Elgin" cannot become a lawful trade-mark, it becomes, for jurisdictional purposes, necessary to inquire into the character and legal definition of the term "trade-mark," and to determine exactly what it is that distinguishes trade-marks from all other commercial marks.

At the outset of this inquiry we are met with a difficulty. We find two classes of marks or devices used upon commercial goods for substantially the same purpose, namely, to identify with the goods the reputation of their producer, and in order that the public may be able to distinguish between the goods of that producer and the goods of others. Marks or devices belonging to one of these classes are protectible on the ground of trade-mark; those belonging to the other class are protectible not on the ground of trade-mark, but under the general equity powers of the courts for the prevention of unfair competition in business. To add to the difficulty, both classes are protectible only on the ground of unfair competition in business. For, of *trade-marks*, this court has said in *Canal Company* v. *Clark* (13th Wallace) "in all cases where rights to the exclusive use of a trade-mark are invaded, it is invariably held that the essence of the wrong consists in the sale of the goods of one manufacturer or vendor as those of another; and it is only when this false representation is directly or indirectly made that the party who appeals to a court of equity can have relief."

It is, therefore, perfectly clear that both of these classes of marks or devices are protectible only on the ground of unfair competition, and that in giving one of them the name of "unfair competition" in contradistinction to the other, we are attempting to distinguish two things apart by a name which is equally applicable to both—as if we should

try to distinguish a horse from an elephant by calling the elephant a quadruped. But the name unfair competition has become too well established for this purpose to be disturbed now. The term unfair competition is, however, a very broad and comprehensive term, including not only the two classes of marks or devices which I have already mentioned, but including many other things which have no specific relation to these classes—such, for example, as unfair preferences by common carriers, and unlawful combinations to the prejudice of a competitor. It will be understood that in using the term unfair competition during the course of this argument I refer only to the term as used in contradistinction to trade-marks, and in the sense in which it was so aptly stated by Mr. Justice Brown in *Coats* v. *Thread Company* as "unfair competition by means of *imitative devices.*" The two classes of marks or devices to which I have referred are so closely similar in their general objects and results that it becomes necessary to carefully and closely consider the distinctions between them; and, if possible, to define them so that they will not be confounded with each other. I will, therefore, take up first the subject of trade-marks, and afterwards the subject of unfair competition by means of imitative devices, and then compare the two together to see if we cannot arrive at a clear understanding of the exact legal nature of these two things; and first, trade-marks.

More than one hundred and fifty years ago, at all events before the decision of Lord Hardwicke in *Blanchard* v. *Hill*, A. D. 1742, manufacturers and merchants who had obtained or expected to obtain the favor of the public for a particular article manufactured or put upon the market by them, and who desired to hold their trade in such article, conceived the plan of placing upon their goods a *private mark*, by means of which the public should be able to dis-

tinguish their goods from the goods of all others. These marks came to be known as trade-marks. Their office or function was to certify the goods as the genuine product of the proprietor of the mark. As Mr. Chief Justice Fuller expresses it in *Menendez* v. *Holt*, 128 U. S., such a mark is equivalent to the signature of its proprietor to a certificate that the goods are his goods, determined by him to possess a certain degree of excellence. In the language of Lord Justice James, in *Thorley's Cattle Food Co.* v. *Massam*, "it (trade-mark) indicates this, a warranty that the article to which it is attached has come from the particular manufacturer of the goods with which buyers have been hitherto pleased." The essential requisites of a trade-mark are that it shall be sufficiently specific or definite, and not merely descriptive; that at the time of its adoption it shall not be already in use by others on the same class of merchandise; and that it shall not be immoral or deceptive.

Since the original adoption of the plan of using private marks or trade-marks upon goods, they have gone into use all over the world; they are recognized in the jurisprudence of all civilized nations; they enter into a vast number of important commercial transactions between the citizens of different countries; they have even become the subject of numerous treaties between the leading commercial nations of the world for the purpose of mutually protecting trade-marks and the trade-mark rights of the citizens or subjects of such different countries. It is, therefore, highly important that the laws and the courts of the different commercial nations should define trade-marks substantially alike. It would be very unfortunate if these nations should differ from each other as to the essential legal characteristics of trade-marks, which enter so universally into the transactions of commerce at the present day. Fortunately, up to

this time, they have not disagreed as to the definition of trade-mark; but if some one nation, for example, the United States, should inject into the definition of "trade-mark" a qualification or requisite not recognized by other nations—for example, if we should make an arbitrary rule that geographical names can under no circumstances be used as trade-marks, basing that rule upon the simple fact that they *are* geographical names, we should immediately come into conflict with the definition given by the other nations, who recognize no such arbitrary qualification of the general rule.

I have carefully examined into the definition of trade-marks, as given by the laws of the principal commercial nations of the world, and with the following result:

In France, the committee which reported the Act of June 23, 1857, came face to face with this question of the definition of the term "trade-mark," and dodged the question, saying that, in their judgment, the matter ought to be left to the courts for determination. Their language was as follows: "In what do marks consist? The plan of the law, avoiding the peril of a definition, has remained mute in this respect." The Council of State, to which this report was submitted, did not agree with the committee on this point, but constructed a definition of their own, in the following terms: "The mark *is any sign serving to distinguish the products of a manufacturer, or the objects of commerce,* and the law cannot enumerate the signs." After the passage of the act, the question of the definition of "trade-mark" came up in the case of *Lalande et al.* v. *Appel et al.*, and the Court of Paris therein defined a trade-mark broadly as "*the characteristic sign by means of which commerce distinguishes the products of one's manufacture, or the objects of his commerce.*" I desire to call your Honors' attention to one remarkable character-

istic of the definition of trade-mark thus given by the French Council of State and by the French courts, namely, that *they do not define the term trade-mark by reference to the physical characteristics of the mark*—so long as it is a *sign*, that is sufficient—it may be any kind of a sign—it does not seem to matter what it is; but they define the term *by reference to its functions*. Both the definition adopted by the Council of State and that adopted by the Court of Paris defines a trade-mark in terms of its function. If it be a sign, and perform the duty of distinguishing the products of a manufacturer or the objects of his commerce, it is a trade-mark. The German definition of trade-mark given in Klostermann on Trade-Marks, a German authority, is equally as broad as the French. The German statute, in force since May 1st, 1875, defines trade-marks as "marks which are to be used on the goods themselves, or on the packing, to distinguish their (the traders') goods from those of other traders." Your Honors will observe that the definition given in the German statute, like the French definition, defines trade-marks not by their physical characteristics, but solely by their functions. And this peculiarity runs through the definitions given by all nations. For example, the Belgian Trade-Mark Act of April 1, 1879, defines a trade-mark almost in the exact words of the French act, as *every sign* serving to distinguish the products of an industry, or the objects of a commerce—the French saying *"any sign,"* the Belgian definition saying *"every sign,"* serving the purpose referred to. The Brazilian law of Oct- 23, 1875, defines a trade-mark in substantially the same way, but in language a little more verbose than that of the French, German and Belgian definitions. Substantially the same is true of the British and Canadian statutes. The Austrian statute of December 7, 1858, defines a trade-mark as "the particular signs

serving to distinguish in commerce the products and the merchandise of one manufacturer from the products and the merchandise of another." The Danish law of July 2, 1880, describes a person's trade-mark as "the mark or marks which he affixes to his merchandise, or the packing thereof, to distinguish the same from merchandise made or sold by others." Under the Dutch Trade-Mark Act of May 25, 1880, a person's trade-mark is defined as "a mark to be placed upon his goods, or upon the wrappers thereof, for the purpose of distinguishing such goods from the goods of others." The Italian and Roumanian statutes give substantially the same definition as that of the French Council of State, their words being translatable into precisely the same terms as those used in the definition given by the Council of State. The Russian code gives no definition of "trade-mark," but provides that the name of the proprietor and his place of business shall be attached to the trade-mark. Sweden, Norway, Japan, and the United States have given, in their statutes, no definition of the term. The clearest statement found in any American decision is that of the Supreme Court in *McLean* v. *Fleming*, 96 U. S., 245, 250, which is as follows:

> "Where a party has been in the habit of stamping his goods with a particular mark or brand, so that the purchasers of his goods having that mark or brand know them to be of his manufacture, no other manufacturer has the right to adopt the same stamp."

This statement accords in every substantial respect with the definition given by all foreign nations whose statutes I have just referred to. I have been unable to find anything to the contrary. None of our treaties undertakes to define the term "trade-mark," but they all leave it to the law of nations; and, as there defined, it is, in the language of the French Council of State, *"any sign serving to dis-*

tinguish the products of a manufacturer," regardless of what the special nature or physical characteristics of that sign may be. The best definition to be found in the English decisions is that given by Lord Justice James in *Thorley's Cattle Food Co.* v. *Massam.* Before I read the language of Lord James, I desire to call your attention to the peculiar nature of the trade-mark which was before him, it consisting in the words "Thorley's Food for Cattle," certainly a pretty strongly descriptive expression, but which was nevertheless held to be a lawful trade-mark. Lord James said:

> "The words 'Thorley's Food for Cattle' would indicate, according to my view of the case, to a purchaser, this: You have always had a very good article called 'Thorley's Food for Cattle;' any article bearing that name is to you a guarantee that it comes from the same place from which that has come with which you have hitherto been well satisfied and content. That in truth is the meaning and object and result of a trade-mark. That is what a trade-mark is; it does not signify what it is—whether it is a name, or a symbol, or a fancy name, *or anything else.* It indicates this, a warranty that the article to which it is attached has come from the particular manufacturer of the goods with which buyers have been hitherto pleased."

These various authorities give us a clear understanding of the meaning of the term "trade-mark;" now let us turn to the other class of "imitative devices" which, in contradistinction to trade-marks, are known as "unfair competition" devices, and see what is the distinctive characteristic of devices of that class.

A manufacturer or merchant may not choose to adopt a specific trade-mark; on the contrary, he may, and often does, elect to fashion or dress up his goods or their packages so as to give them a unique and distinctive *general*

appearance by which the public can distinguish them from goods of the same class put upon the market by other manufacturers or dealers. Such distinctive general appearance is not a trade-mark—it is not a certificate or warranty of genuineness—it has no other function than to enable the public to become familiar with the *"looks"* of his goods, and to recognize one of his articles or packages by its looks as a whole, just as we distinguish an oak tree from an elm, or a pig from a pup, or as we recognize an acquaintance on the street, not by any specific mark placed upon him for purposes of identification, but by the general combination of features which go to make up his outward and visible personality.

The courts were quick to perceive that when a party has chosen to give his article, as a whole, a unique and distinctive general appearance, whereby the public are able to recognize it by its looks, it would be unfair to allow his competitors to copy or imitate such general appearance and thereby to deceive the public as to the identitiy of the goods and to steal away a portion of his trade; and they commenced to prohibit it on the ground of unfair competition in trade. Cases multiplied, and the term finally came to be generally used to distinguish this class of cases from trade-mark cases.

So much for "unfair competition." Now let us compare the two classes, trade-marks and unfair competition devices together, and point out exactly wherein they differ from each other.

In my printed brief (pp. 29-31) I pointed out two clear distinctions between these two classes of marks or devices, namely:

1. That "trade-marks" are confined exclusively to *vendible goods* on the market for sale; whereas, unfair competition devices are not, but are equally applicable to

other kinds of property. Thus, in a case cited in my brief which was decided by Lord COTTENHAM, an omnibus company had painted its carriages in a peculiar way, and clothed its servants in a peculiar livery, to attract custom; a rival concern imitated these devices, and his lordship enjoined the proceeding. In other cases cited in my brief, certain hotels, bearing specific names, had painted those names upon the vehicles which they sent to the railway stations to receive and deliver passengers; rivals who had no right to use these names imitated them to draw away patronage, and the courts enjoined them. In an Ohio case, a merchant, for the purpose of attracting attention to his store and enabling customers to distinguish it readily from other stores along the same block, constructed it with a peculiar front of original and unique design and ornamentation; a rival alongside imitated this store-front to divert trade into his own establishment, and the courts enjoined him. Those cases were not trade-mark cases, because the store-front, hotels, omnibuses and servants were not vendible goods on the market for sale, and protection, therefore, was necessarily based solely on the general equity powers of the courts to prevent unfair competition in business. This is the first distinction which I note between trade-marks and unfair competition devices.

2. The second distinction is one to which I have already adverted, namely, that a trade-mark is a specific mark or sign, whereas, the corresponding unfair competition devices consist merely of general resemblances—of imitating the general appearance or looks of the article of merchandise. If a party adopts a specific mark for his goods, irrespective of their general appearance, he must be protected, if at all, on the ground of trade-mark; if he adopts a unique and peculiar general appearance for his article as a whole, irrespective of any one particular mark upon it,

then he cannot be protected on the ground of trade-mark, but may be on the ground of unfair competition.

3. Since the printing of my brief, it has occurred to me that there may be still another legal distinction between trade-marks and unfair competition devices, namely, that trade-marks are a species of property, assignable and inheritable like other personal property; whereas, it is difficult to see how the mere *looks* of an article of merchandise can be assignable or inheritable—such a thing is too indefinite and vague, in my judgment, to be the subject of *property*—it consists in a mere impression upon the eye—how can a mere impression be property? I have known many trade-marks to be assigned, but never knew anybody even to attempt to assign or convey a mere appearance. If a competitor undertakes to imitate an appearance, for purpose of fraud or deception, he may be enjoined from committing the fraud; but it does not follow that the appearance itself can be regarded as an article of property. If I am right in this, there are *three* distinctions instead of two, between trade-marks and unfair competition devices; and I would like to have the court note and consider this third distinction, in connection with the two discussed in my printed brief.

The distinctions to which I have adverted are not arbitrary nor technical, but are founded upon reason, principle and common sense—they exist in the nature of things. They are simple and clear, and a child can understand them. They show beyond question that there are really two classes of cases, trade-mark cases and unfair competition cases, and that in treating them as separate classes of cases the courts have not made any mistake, nor adopted any merely fanciful theory. They actually exist, and should be everywhere judicially recognized.

But in recent years, some of the lower courts, while as-

suming to recognize them as separate classes by using the terms "trade-mark" and "unfair competition," in contradistinction to each other, have muddled the whole subject to such a degree that if we place any reliance upon their decisions the law has become absolutely unintelligible. A distinguished lawyer recently said to me that when a client came to him with a trade-mark or unfair competition case and asked his counsel, he was, as an honest man, obliged to tell him that nobody could understand the law as it is now expounded by the courts; that they were all at sea, and the whole subject involved in inextricable confusion and doubt; —and he did not put the facts any too strongly. I want to digress a moment from my argument, and assume the character of a friend of the bar and the lower courts—and the public also—in asking this court to take the opportunity presented by the present case to make an authoritative pronouncement on this subject and clear up the law relating to the legal distinctions between trade-marks and imitative unfair competition devices. It is high time that this should be done, and this court can render no greater service to the bar, the inferior courts and the public than by making such a pronouncement. I doubt whether your Honors can fully appreciate the gravity of the matter to which I now refer, for you probably have had no occasion to notice it before, and I feel that no words of mine can do the subject justice, or give you any idea of the hopeless entanglements and inconsistencies into which some of the lower courts have fallen in recent years. The only way by which I can give you a clear appreciation of the situation is that of citing some of these inconsistent decisions, so that you can see for yourselves—and I will begin by calling your attention to the most recently-reported case which I find on the subject, *Fuller* v. *Huff*, reported not a month ago, on November 13, 1900, in 104 Fed., 141. That case was de-

cided by no less a court than the United States Circuit Court of Appeals for the Second Circuit, Judges *Wallace, Lacombe* and *Shipman* sitting, and Judge *Shipman* delivering the opinion of the court. From a court composed of judges of such great experience, ability and eminence as jurists, we should reasonably have expected a clear statement of the law; but we do not find it in the report. I do not intend, however, to comment upon the case, but only to read the main facts and point out what was decided and on what grounds. Your Honors can make your own comments.

The essential facts, as appears from the report, were as follows:

Twenty-five years ago, the complainant in that case began to manufacture a food preparation, to which he gave the name "Health Food;" and he established a company in New Jersey, under the name of the "Health Food Company," to carry on such manufacture. The article was acceptable to the public, and a great and profitable business resulted. Eighteen years afterwards, when the complainant's goods had become known all over the country under the name of "Health Food," a Michigan party established another company, to which he gave the name of the "Sanitarium Health Food Company," and commenced to put on the market another food preparation, to which he gave the same name, "Health Food," marking that name upon his packages. A suit ensued, and went up to the Court of Appeals. That court held (104 Fed., p. 143) that

> "The term 'Health Food' means healthy food, or health-producing food, and is therefore descriptive of quality, and cannot be a technical trade-mark, either with or without the word 'Company.'"

The logic of that is, of course, that, the term being descriptive, everybody had a clear right to use it on an ar-

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ticle of food that was really health-giving, and nobody in this country could be enjoined from such a clear right to use the English language in its ordinary descriptive sense. Assuming the court's premises, this conclusion seems to follow inevitably. But, on the very next page, the court proceeded to order an injunction against the defendant enjoining him from exercising this clear right—and they based the order upon the allegation of "Unfair Competition!" In making the order they explicitly stated that there had been no simulation of the appearance of the complainant's packages—nothing but the use of the words "Health Food," which, on the assumption that they were descriptive, everybody had a right to use. They say:

> "It is to be observed that the frequent insignia of an intent to deceive, viz., the copy or the imitation, more or less close, of the dress of the competitor's packages, are *absent in this case.*"

Then they go on to state the ground upon which they order the injunction, and in so doing *they give, almost in terms, the very definition which has been accepted by all civilized nations as the legal definition of trade-mark,* and make it the ground for enjoining the defendant, not for trade-mark violation, but for unfair competition, using that term in contradistinction to trade-mark! Their language is:

> "But if a trade-name has been *so identified with the business of a manufacturer as to inform the public that the name upon goods means that they are the product of that person,* and another subsequently adopts and displays the name, it is not material that he has not also adopted the particular dress in which his predecessor has presented his goods!" etc., etc.

I have cited in my printed brief, pp. 55 to 57, two other cases of a similar character, but which time forbids me here to discuss; and I might have cited a good many others. I have only time to add that, if these cases state

the law correctly, then it is no wonder that nobody knows what the law is—that the whole subject is in a hopeless muddle—and that we are looking to this court to shed a clear light upon it. I now resume my argument in the case at bar.

If I am right as to the legal distinctions between trade-marks and imitative unfair-competition devices, then it follows irresistibly that in the exclusive use of the word Elgin to distinguish its watches from those of other manufacturers, the plaintiff must be protected, if at all, upon the ground that such word has become its *trade-mark*, as I have stated in that part of my printed brief to which brother Banning referred in his opening argument (bottom of p. 36 of brief). The word "Elgin" has nothing to do with the general appearance of the watches. It is sometimes marked in small letters upon the dial-plate, but is quite as often, perhaps, engraved upon the inside plate that supports the works, or upon the inside wall of the case lid. Wherever it is, it has no effect upon the appearance of the watch—it must be sought for by closely examining the dial-plate or by opening the watch and looking into it. If found there it means that the Elgin National Watch Company has certified that watch as one of its own manufacture. Watches made by different manufacturers cannot be distinguished from each other by their external appearance. All watches look alike; and to know of whose make they are you must examine the maker's name or trade-mark upon them. The word Elgin has long been registered as our trade-mark for watches; and if it be a lawful trade-mark then the federal courts have statutory jurisdiction of the present suit, irrespective of the residence of the parties.

"But," says my friend on the other side, "the word 'Elgin' cannot be appropriated as a trade-mark, because it

is a geographical name—no geographical name can be a trade-mark."

On this proposition I take a square issue with him. I admit, at the outset, that, as a general rule, geographical names cannot be appropriated at trade-marks, and that there are *some* geographical names that cannot, under any circumstances, become trade-marks *for certain articles*. Whenever an article is, in whole or in part, the natural product of a certain region, and possesses peculiar qualities which it owes to the water, soil, or climate, or to the mineralogical or geological character of that region, or to the peculiar modes of manufacture prevailing there, then the geographical name becomes descriptive of the article, indicating the peculiar qualities referred to; and it would be manifestly wrong to allow any one producer in that region to appropriate the descriptive geographical expression of quality exclusively to himself. Nearly every case cited in Brother Banning's brief is a case of that kind; and he might have saved himself the trouble of citing them, for nobody questions the impropriety of allowing *such* geographical names to be appropriated as trade-marks for *such* products. The Lackawanna coal case (*Canal Co.* v. *Clark*) affords an excellent illustration of the subject. In that case, coal from the great Lackawanna seam, that extends many miles in Pennsylvania, and is mined by many different operators, had become well known all over the country for its peculiar and excellent qualities. The coal required no description other than the words "Lackawanna coal." Mention those words and anybody who knew anything about the coals of this country would instantly understand all about the peculiar characteristics of the coal referred to—he would see it in his mind's eye, would know its lustre, as distinguished from the dead black color of many other coals, would know its hardness, its weight, its heat-giving and steam-generat-

ing power, the degree of heat and draft necessary to bring it to incandescence, the length of time during which it would continue to burn, the uses for which it is most valuable, even approximately its cost in the market. A whole volume of description, omitting the word "Lackawanna," would not give him one-half of the specific and reliable information that he would get from the single word "Lackawanna." Under such circumstances, the word was intensely and peculiarly descriptive, and, of course, it would not do to let one producer in that region monopolize the word, to the injury of all other producers who were equally entitled to use it. The expressions used by this court in *Canal Co.* v. *Clark* are to be interpreted in the light of these facts—the court had in view this kind of geographical name, and its expressions should be construed with reference to the class of names involved in the suit.

Let me give another illustration—this time an imaginary case. Suppose that some producer of oranges in Florida were to attempt to appropriate the name "Florida Oranges" exclusively to his own product, could the courts allow it? Certainly not. Even as I now mention the name, I have brought into your Honor's minds a mental image of the fruit in question—you see it in your mind's eye—you instantly know all of its external and internal peculiarities —a volume of 200 printed pages, omitting the word Florida, would not be able to give you so complete and clear a description of that fruit as you receive from the simple words "Florida Oranges." But now let me imagine another case: Suppose that I am a fruit trader, importing and exporting all kinds of fine fruit. I take great pains with my fruit, selecting it with the utmost care, rejecting everything not of the best quality, and packing my goods with great skill so as to preserve them from premature decay. I desire a

trade-mark for my oranges, by which people everywhere may know them to be of my selection and to be certified by me as of the best; and I adopt the word "Labrador" for that purpose, or the word "Klondike," or "Spitzbergen," or "Arctic," or any one of ten thousand geographical names found in regions too far North to be adapted to the production of oranges—can anyone suggest a tenable reason why I should not be allowed to use such name as a trade-mark for my oranges? To ask the question is to answer it.

But this simple illustration shows at a glance that the real objection is not to the use of a geographical name as a trade-mark, but to the use of a *descriptive* geographical name implying *quality*, or else employed in the "directory" sense as giving the address of the producer. We must ascertain the sense in which the name is used, and the purposes for which it is used, before we can say whether it is proper for a trade-mark or not. To adopt an arbitrary rule that a geographical name, simply because it *is* a geographical name, and without any other reason, shall be excluded from the category of trade-marks, would be to adopt an unreasonable rule, and therefore a rule violative of the very foundation principles of the law.

Now, it often happens that a geographical name may come to have different significations—for one purpose it may have one meaning, and for another purpose another meaning. *As applied to a particular article of merchandise*, it may, by long use, have come to denote a particular manufacturer, that party upon whose goods alone it has for years been found; and when it acquires this *secondary meaning*, it may be a lawful trade-mark, *because it fulfills exactly the functions of a trade-mark*. It becomes "a sign, serving to distinguish the product of one manufacturer from those of other manufacturers." This principle of law is, I think, fully established, not only by rea-

son and sound sense, but by a great array of cases of the highest authority, some of which I will now refer to.

The first case which I will cite is the celebrated Stone Ale case, *Thompson* v. *Montgomery*. Your Honors are already familiar with that case, but I trust that you will permit me briefly to refer to its controlling facts, which were as follows:

The complainants and their predecessors had for a hundred years been brewing and selling at Stone, a town of 6,000 or 7,000 inhabitants in England, a superior ale, marked and known as "Stone Ale." The defendant, an innkeeper at Liverpool, had used and sold this ale and knew its popularity; and he established a brewery at Stone and sold his ale as Stone ale. The court found that he had appropriated the name by reason of the great popularity which the complainants and their predecessors had given it, and enjoined him from its further use; and the House of Lords (A. D. 1891) affirmed this action. In delivering their opinions in the House of Lords, Lord Herschell said:

> "It appears to me idle to argue in opposition to the injunction that it is against the public interest to permit a monopoly of the use of the name of a town for trade purposes when the only effect of allowing its use by the person and for the purpose sought to be restrained would be to deceive the public."

Lord Watson said:

> "I am of opinion that any attempt by the defendant to sell ale or beer of his own brewing as 'Stone Ales' or as 'Stone Ale' would constitute an infringement of *the plaintiff's right.*"

Lord Hannen said:

> "Here the evidence has satisfied Chitty, J., and the Court of Appeal, and I think ought to satisfy your lordships, that the respondent had acquired by long

usage the names of 'Stone Ale' and 'Stone Ales;' that that name does not merely convey the idea that the beer was manufactured at Stone, but that it was ale of the respondents' manufacture."

I call the particular attention of the court to the language used here by Lords WATSON and HANNEN, which shows conclusively that those great judges considered the words Stone Ale and Stone Ales to have become the property, and therefore the *trade-mark*, of the plaintiff. Lord WATSON said that an infringement of the mark would constitute an infringement of *the plaintiff's right;* Lord HANNEN said that the plaintiff had *acquired* by long usage the names of Stone Ale and Stone Ales. This language is not consistent with any other theory than that of trade-mark.

The next case to which I will call your Honors' attention is the equally celebrated Glenfield Starch case, *Wotherspoon* v. *Currie,* 5 H. of L. In that case the plaintiff had long been manufacturing starch at Glenfield, and his starch had become widely known as "Glenfield Starch." The defendant went to Glenfield and commenced manufacturing starch there and selling it as "Glenfield Starch." The courts found that he was putting the word Glenfield on his labels fraudulently, with the intention of making out that his starch was the starch of the plaintiff, who had by long use acquired the right to the name "Glenfield Starch," and enjoined him from the further use of the name. In my printed brief I inadvertently mis-stated one fact, namely, that the H. of L. affirmed the decree. The fact is, that the intermediate court, the Court of Appeal, decided in favor of the defendant, and that the H. of L. *reversed* that decree. In announcing his opinion, Lord *Westbury* said:

"I take it to be clear from the evidence that long

> antecedent to the operations of the respondent the word 'Glenfield' had acquired *a secondary signification or meaning in connection with a particular manufacture.* In short, it had become *the trade denomination of the starch made by the appellant.* It was wholly taken out of its ordinary meaning, and in connection with starch had acquired that peculiar secondary signification to which I have referred. *The word 'Glenfield,' therefore, as a denomination of starch, had become the property of the appellant. It was his right and title in connection with the starch.*"

Brother Banning, in his oral argument, asserted and repeated that not a solitary instance could be found where a defendant who was doing business in a town was enjoined from using the name of the town in connection with his goods. *But here are two such instances,* in each of which both the plaintiff and the defendant were carrying on business in the same town, and yet the defendant was enjoined from using the name of the town in connection with his goods, on the ground that the name had become the lawful trade-mark of the plaintiff for that particular class of merchandise; and these two decisions, both made by the House of Lords, are, of course, of the very highest authority. They are not based upon the theory of unfair competition, but on the express ground that the name on that class of goods had become the *property* of the plaintiff—therefore his trade-mark—and that the defendant was using the name for the purpose of drawing away the plaintiff's trade.

In *McAndrew* v. *Bassett,* 10 Jur., the plaintiffs had for about six weeks been marking their liquorice with the word *"Anatolia,"* the name of a province in Asia Minor. It does not appear from the report whether the liquorice was produced in the province or not. The defendants afterwards began to stamp their liquorice with the same word. The court held that the name was a valid trade-mark, and

enjoined the defendants from using it. Lord Westbury said:

> "An element of the right to the property in a trade-mark may be represented as being the fact of the article being in the market as a vendible article, with that stamp or trade-mark, at the time when the defendants imitate it. The essential ingredients for constituting an infringement of that right probably would be found to be no other than these: First, that the mark had been applied by the plaintiffs properly, that is to say, that they have not copied any other person's mark, and that the mark does not involve any false representation; secondly, that the article so marked is actually a vendible article in the market; and, thirdly, that the defendants, knowing that to be so, have imitated the mark for the purpose of passing in the market other articles of a similar description."

His lordship continues:

> "Property in the word (Anatolia) for all purposes cannot exist; but property in that word, as applied by way of stamp upon a particular vendible article, as a stick of liquorice, does exist the moment the article goes into the market so stamped, and there obtains acceptance and reputation whereby the stamp gets currency as an indication of superior quality, or of some other circumstance which renders the article so stamped acceptable to the public."

Brother Banning intimated, in his argument, that if there is any law to be found that warrants the enjoining of a party, under any circumstances, from using on his goods the name of the place where they are produced, it must be found in some foreign country; for, he says, there is no such law in this country. Here, again, he is in error. It is to be found in the laws of all countries alike. In all of them, a geographical name is held to be a trade-mark whenever it has acquired a secondary signification distinguishing the goods of a manufacturer or trader from those of all other manufacturers or traders. That principle

necessarily follows from the very definition of trade-mark which I have shown to be univesally accepted by all civilized nations; for, in such a case, the name becomes a "sign serving to distinguish the products of one manufacturer from those of others." It performs the function of a trade-mark; and trade-marks, as we have seen, are defined in terms of their function, and not of their mere physical characteristics.

In a recent case in this country, *Gage-Downs Co.* v. *Featherbone Corset Co.*, 83 Fed. Rep., 213, cited on pages 40 and 41 of my printed brief, Judge Severens reviews this whole subject of geographical names, stating that he had extensively examined the reported adjudications upon it, and coming to the conclusion that while geographical names are not, as a general rule, appropriable as trade-marks, yet that the use of the name of the place may, under circumstances, be such as to denote to the eye and mind of the public the name of the person who has, perhaps, by long continued business in this place, or long appropriation of that name, and being the only person there who has thus appropriated and used that name, produced goods which have gained their favor.

> " In such circumstances," says he, "the name of the place may acquire a *secondary signification*, and become, instead of denoting the place where the goods are manufactured, *a mark denoting the manufacturer*, and in such case, and in the circumstance where the name has thus acquired a secondary signification, a party may use it, and may be entitled, possibly, to its exclusive use. In such a case it depends entirely upon the proof, and, if it appears that the name is used for the purpose of denoting where the goods are made—if this is the primary object—then it is not subject to be appropriated by any one person resident there. All other residents have the like privilege of use. But, if the circumstances of the case show clearly that

> the use of that name is a means of appropriating the business advantages, good will, and trade-name of the complainant, that is not lawful."

In *American Waltham Watch Co.* v. *U. S. Watch Co.*, cited in my brief at the bottom of page 41 and on page 42, it was held that the word "*Waltham*" upon watches made by the American Waltham Watch Company was entitled to be protected against unlawful use upon other watches. In that case, as I remember it, the defendant had moved to the town of Waltham, or had established itself there, for the purpose of using the name which had long been famous for the manufacture of watches. Both parties, therefore, were residents of the same place; but the Supreme Court of Massachusetts did not hesitate to enjoin the defendant from using the geographical word upon its watches. A like ruling was made by Judge Townsend in *American Waltham Watch Co.* v. *Sandham*, U. S. Cir. Ct., Southern Dist. of N. Y. (A. D. 1899), 96 Fed., 330. In that case also, the defendant had moved to Waltham for the purpose of getting its name upon its watches; but he also was enjoined. Both Judge Knowlton and Judge Townsend held that the word Waltham had acquired a secondary signification in connection with watches denoting a particular manufacturer. This was also the substance of Judge Showalter's reasoning in the case at bar.

In *Lea* v. *Wolff*, 13 Abb. Pr., N. S., 389, the court said:

> "Where words or names are in common use, no one person can claim a special appropriation of them to his peculiar use; but where words and the allocation of words have, by long use, become known as designating the article of a particular manufacturer, he acquires a right to them as a trade-mark, which competing dealers cannot fraudulently invade. The essence of the wrong is the false representation and deceit. When the improper design is apparent an injunction should be issued.

> "As a general rule, geographical names cannot be appropriated as trademarks; but the rule has its exceptions, where the intention in the adoption of the deceptive word is not so much to indicate the place of manufacture as to encroach upon the previous use and popularity of another's trade-mark."

In my printed brief, commencing on page 43, I have cited a number of other cases, some of them American cases, where geographical names have been upheld as trademarks. I have not time to discuss these cases orally. But one of them is so exactly and strongly in point that I beg leave to call the particular attention of the court to the reasoning of the judges in that case. I refer to the case of *Metcalf* v. *Brand*, 86 Ky., 331 (cited on page 44 of my brief). In that case the question arose whether the word "Lexington," the name of a city in Kentucky, had become a lawful trade-mark for manufactured mustard. It does not appear whether the mustard was produced in the neighborhood of Lexington or whether it came from some other region. In deciding the case the court said:

> "The name of the place where it is made serves in no possible way to indicate its quality or composition, and where the manufacturer has given it a geographical name, which he was the first to use in connection with the article, it seems to us that it may, from long use in such connection, acquire a secondary meaning, and, instead of designating the place where the article is made, indicate its origin, or that it is the product of a particular manufacturer, or made according to his method. When this is the case, it becomes, in our opinion, a valid trade-mark. The name is no longer used to indicate the place where they are made, but becomes the name of his goods. It gives notice that he is the maker. It, by reason of first and continued use, and association with the name of the article made or sold by him, acquires an understood reference to him. It is the trade denomination of his article. It acquires a secondary meaning in connection with a particular manufacture."

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There is another very illustrative case, from the House of Lords, which, although not involving a geographical name, shows that a merely *descriptive* term may become a valid trade-mark by acquiring a secondary signification denoting the goods of a particular manufacturer. I refer to the case of *Reddaway* v. *Banham,* reported in the appeal cases of 1896, cited in my printed brief, page 48. In that case, Reddaway began the manufacture of belting from a yarn that had before been used in making carpets. He gave his product the name of "Camel Hair" belting, marking his goods with the name "Camel," or the figure of a camel, or both together. It turned out that this belting was peculiarly adapted to resist the influences of hot and moist climates, such as those of India and other tropical countries. A great trade in these goods resulted, especially in tropical countries. The defendant infringed by making belting of the same material and selling it under the same name; and a suit ensued. When the name was first adopted it was not known that the material was actually made of camel's hair; but years afterwards it was discovered that such was the fact. The jury found in favor of the plaintiff. The House of Lords held that the term had acquired a secondary signification, meaning Reddaway's belting, and enjoined the defendant from using it. Of course, Banham had a clear right to use the yarn—that was free to the use of everybody—and in using it, his belting would necessarily, and therefore lawfully, look exactly like Reddaway's belting. But the House of Lords held that, even if he had a right to use the *material,* he had no right to use the *name,* which, by acquiring a secondary signification, had become to be known everywhere as denoting Reddaway's manufacture. The defendant's counsel stoutly argued that the words "Camels-Hair Belting," used by the

defendant, were the simple truth; but Lord Macnaghton disposed of that contention in the following language:

> "Can it be said that the description, 'camel's hair belting,' as used by Banham, is the simple truth? I will not call it an abuse of language to say so, but certainly it is not altogether a happy expression. The whole merit of that description, its one virtue, for Banham's purposes, lies in its duplicity. It means two things. At Banham's works, where it cannot mean Reddaway's belting, it may be considered to mean belting made of camel's hair. Abroad, to the German manufacturer, to the Bombay mill-owner, to the up-country native, it must mean Reddaway's belting—it can mean nothing else. I venture to think that a statement which is literally true, but which is intended to convey a false impression, has something of a faulty ring about it. It is not sterling coin. It has no right to the genuine stamp and impress of truth."

These cases are very instructive. They show, beyond question, that there is no arbitrary or technical rule governing the admission of names or marks into the category of trade-marks; that, under proper circumstances, a geographical name, or even a word or phrase accurately descriptive of the quality of the goods, may acquire the legal character and standing of a trade-mark; in other words, that, in the language of Lord James, already referred to, it "does not signify what it is—whether a name, or a symbol, or a fancy name, *or anything else*"—the real and only true test being that given by this court in *McLean* v. *Fleming*.

Brother Banning, in his argument this morning, intimated that in trade-mark cases it is not necessary to prove fraud, whereas, the opposite is true of cases in unfair competition. On this point, I do not assent to his views, but I have not time to argue the point here. I have fully answered this proposition in my printed brief, commencing

near the bottom of page 33 and continuing to near the bottom of page 36; and I submit that question upon the arguments contained in my printed brief.

I come, now, to the authorities relied upon by the counsel for the appellees. I have not time to consider all of them. Nearly all of them are, as I have already said, cases where a geographical name has been attempted to be used as a trade-mark for articles which are in whole or in part the natural products of a certain region and derive their peculiar qualities from the climate, soil, water, or mode of manufacture prevailing in that region. In all these cases, therefore, the geographical name is essentially descriptive. But there are four cases cited by brother Banning, to which I will briefly refer, namely:

Columbia Mills v. *Alcorn;*
Glendon Iron Co. v. *Uhler;*
Elgin Butter Co. v. *Elgin Creamery Co.,* and
Candee, Swan & Co. v. *Deere & Co.*

In *Columbia Mills* v. *Alcorn,* the word "Columbia" was claimed as a trade-mark for *flour.* It indicated that the flour was American flour, and therefore that it had those qualities which distinguish American or Columbian flour from foreign flour. The term "Columbia Mill" was already in use, in numerous places, long before the plaintiff appropriated it. At least sixty or seventy years ago, Mr. James S. Welch, of Georgetown, D. C., owned and operated under the name of the Columbia Mill, a large flour mill whose reputation was known all over the United States. At the time when this court decided the Alcorn case, if the judges had gone over to Georgetown, they could have found that mill there on the river bank, where it had been operating for a lifetime, with a big sign bearing the words "Columbia Mill" painted upon it. The dilapidated remains of the mill are still there, bearing that

sign and name, and can be seen by any of your Honors if you should happen in that vicinity. I presume that there were a score of flour mills in this country, bearing the same name.

The court found that the word "Columbia" had long been in use by others as a brand for sacks and barrels of flour, before the plaintiff adopted it; that the geographical name "was intended to indicate the class, or quality, or character of the flour;" that it gave no information on the subject of origin, production, or ownership, or, in other words, that it had not acquired a secondary signification distinguishing the product of a particular manufacturer, but was used merely in a geographical sense, like the words "United States," "America," "Minnesota," or "Minneapolis;" and then Mr. Justice Jackson, who delivered the opinion of the court, remarked: "These merely geographical names cannot be appropriated and made the subject of an exclusive property." Certainly not, as I have already shown. A geographical name, used in a geopraphical sense, cannot be a trade-mark—it must have acquired a secondary meaning, distinguishing the product of a particular manufacturer or dealer, before it can become a trade-mark. This case is, therefore, not at all in conflict with my position here, but is in full accord with it.

In *Glendon Iron Co.* v. *Uhler,* the court found, as a fact proved, that the defendant had used the word only in its geographical sense, and not for the purpose of imitating the name used by the plaintiff. There was no secondary signification there, if this finding of fact was correct. That case is, therefore, not an authority against my position.

In the Elgin butter case, the case went off on demurrer to the bill or declaration. The plaintiff had declared simply that it adopted the name, and that the defendant after-

wards used it—without alleging fraudulent imitation or intention. The pleading was, therefore, clearly demurrable. But if the case had been decided on its merits, the word "Elgin" could not have been sustained as a trade-mark for butter or cream, a product for which that region was and is celebrated. The name was clearly descriptive of the natural peculiarities and excellencies of the local product.

In *Candee, Swan & Co.* v. *Deere & Co.*, if your Honors will refer to my printed brief, at the bottom of page 51, you will see the two marks which came into controversy there, and will see that there was no infringement of the plaintiff's brand, as a whole. The court found that when the plaintiff adopted its mark, others were already branding their plows with their name arranged in a curved line having beneath it, on a horizontal line, the words "Moline, Ill.," just as the plaintiff and defendant afterwards branded their names on their plows. The plaintiff admitted that it had no trade-mark in the words "Moline, Ill.," but only in the words "John Deere, Moline, Ill.;" and it was proved that the defendant had never used the words "John Deere, Moline, Ill." There was, therefore, no ground whatever for a decree against the defendant—a clearer case could not be imagined. In deciding the case, however, the court went out of its way to make some irrelevant remarks to the effect that geographical names could not be used as trade-marks, basing this statement expressly upon the decision of the English Court of Appeals in the Glenfield starch case—a decision which was afterwards, upon this very question, wholly overruled and reversed by the House of Lords, as we have already seen. There is, therefore, nothing in any if these cases, nor in any other reported case of any authority, which militates against my position. This court has never said, nor has

any other court which has given the subject careful consideration ever said, that under no circumstances can the name of a town become a trade-mark. On the contrary, a great array of authorities, headed by the great English judges from whom I have already quoted, are decidedly against that proposition.

It only remains for me to show that in the case at bar the word "Elgin," in connection with watches, had acquired a secondary signification denoting the Elgin National Watch Company, and that the defendants appropriated it for fraudulent purposes. On both of these points, the evidence is full and conclusive. I have not sufficient time left for a thorough consideration of these matters, which are fully set forth in my printed brief, commencing near the bottom of page 57, and ending near the bottom of page 72; but I will hurriedly review the leading facts, and leave the rest to the brief.

(Here Mr. Hill briefly reviewed the main facts set forth in the brief, pp. 57 to 79, in the order in which they are there presented—abridging the statements of the brief, and emphasizing some of the more important points made therein. This part of the oral argument, however, follows the printed brief so closely that it is not deemed necessary to print it.)

Supreme Court of the United States.

ELGIN NATIONAL WATCH COMPANY,
Appellant,

vs.

ILLINOIS WATCH CASE COMPANY, THOMAS W. DUNCAN AND MYER ABRAHAM,
Appellees.

Appeal from the Circuit Court of the United States for the Northern District of Illinois.

BRIEF AND ARGUMENT FOR APPELLEES.

May it please the Court:

This is a bill in equity alleging infringement of a trademark—the word "Elgin"—which the appellant—the complainant in the Circuit Court—claims as its exclusive property. The appellees—the respondents in the Circuit Court—as well as the appellant, are *doing business at* the City of Elgin, Illinois. The appellant is engaged in the manufacture of watch *movements* at such city and the appellees are engaged in the manufacture of watch *cases*—both having their factories and places of business located at Elgin. (Record, 4.)

The word "Elgin" was registered by the appellant April 11, 1876, and again, November 14, 1882, and again, July 19, 1892—the bill being founded on the latter registration.

The infringement charged against the appellees grows out of their use of the word "Elgin" in connection with

other words—as "Elgin Tiger," "Elgin Giant," "Elgin Commander," "Elgin, Illinois," either stamped into the metal composing their watch-cases or printed on their guarantee certificates placed in the cases when they are sent out for sale.

His Honor, Judge Showalter, heard and decided the case below, and held that the appellant was entitled to the exclusive use of the word "Elgin" *as a trade-mark* and against one doing business *at the City* of Elgin. Among other things, in his opinion, he said:

> "Notwithstanding the fact, therefore, that the word 'Elgin' is the name of a town and in that sense a geographical name, yet, since in this instance it exercises the function of a trade mark, my conviction is *that it is a trade mark and should be so treated.* The theory of unfair competition in trade would here rest on the fact that the mark of origin on the manufactured article is put on or attached to other articles of the same kind not made by complainant and for the purpose of representing such article as the product of complainant. This is, therefore, strictly *a trade mark case.*" (Record, 24.)

From the above it will be seen that the court granted relief strictly on the ground that the word "Elgin" was a *trade-mark,* and not on the ground that the appellees were *fraudulently* representing *other* goods as those of the complainant.

The court afterwards entered a decree enjoining the appellees from using the word Elgin. This decree was very broad, as it enjoined the appellees

> "from directly or indirectly marking or using the word 'Elgin,' whether alone or in connection with other words or devices, upon watches, watch cases, or

packages containing watches or watch cases going into commerce with foreign nations or with the Indian tribes in such a way as to be liable to cause purchasers or others to mistake said watches or the watch movements incased in said watch cases, for the watches or watch movements manufactured by the complainant." (Record, 31.)

Appellees regarded the above injunction order as being too broad, and so moved, at the time of entry, that it be qualified by adding the following:

> "Provided, however, that nothing herein contained shall prevent the defendants, or either of them, from using the word 'Elgin' upon their watch cases, or upon packages containing their watch cases, to indicate or inform the public that they are manufactured at Elgin, Illinois, and that the defendants' place of business is Elgin, Illinois, nor to prevent the defendants or either of them, from using the word 'Elgin' upon watch cases containing watch movements of the plaintiff's manufacture, or which are truly made at Elgin, Illinois, or to prevent the defendants, or either of them, from using the word 'Elgin' upon their watch cases, or upon packages containing their watch cases to be sold in the United States of America." (Record, 32.)

The court, however, overruled the motion and entered the decree without qualifying the scope or effect of the injunction, as stated in the clause above quoted from the decree.

Appellees thereupon appealed and assigned for error that the court erred in holding that appellant had a trade-mark in the word or name "Elgin"—in holding that the appellees in using the word "Elgin" had infringed such trade-mark—in holding that the appellant was entitled to protection in the name or word "Elgin" and in giving it

protection against the appellees—in entering a decree in favor of the appellant—in not amending the decree as requested by the appellees in their written motion and in not entering a decree in favor of the appellees—and in denying the motion to amend the decree.

The case was reached in due course in the United States Circuit Court of Appeals for the Northern District of Illinois and was heard by Judges Woods, Jenkins and Bunn. The statement of facts and opinion of the court will be found in the Record beginning at page 261. The court reversed the decision of Judge Showalter, with instruction to the court below to dismiss the bill. The appellant has appealed from this decision, and, on page 268 of the Record, assigned as errors that the Circuit Court of Appeals erred in holding that the Circuit Court of the United States for the Northern District of Illinois had no jurisdiction of the cause—in not affirming the final decree of the Circuit Court—in decreeing that the cause be remanded and the bill dismissed—in holding that the Act of Congress of March 31, 1881, is of doubtful constitutionality—and in holding in effect that the appellant was not entitled to register the word "Elgin" as a trade-mark.

These various assignments of error raise all the questions that need be discussed, and we will endeavor to consider them, though not perhaps in the order of their assignment.

THE CONSTITUTIONALITY OF THE ACT OF CONGRESS OF MARCH 3, 1881, RELATING TO TRADE-MARKS.

The present trade-mark law was enacted after this court had decided against the constitutionality of the preceding law in relation to trade-marks. The present act must depend for its constitutionality upon the third clause of the eighth section of the first article of the Constitution. This clause, read in connection with the granting clause, is as follows:

> "The Congress shall have power to regulate commerce with foreign nations, and among the several states, and with the Indian tribes."

Whether or not the present act is constitutional depends upon the interpretation to be given to the words "regulate commerce." If the power to regulate commerce carries with it the power to regulate all the incidents, accessories, externals and trappings of commerce, then we take it the power to enact the present trade-mark law would be unassailable. But if to regulate commerce means to regulate the *thing itself* as contradistinguished from the things which may or may not accompany it, then we submit that the Constitution has not invested the Congress with power to legislate in relation to trade-marks.

This court in *The Trade Mark Cases,* 100 U. S., 95, clearly recognizes the distinction between *commerce* and the things which *accompany* it, saying:

> "Every species of property which is the subject of commerce, or which is used or even essential in commerce, is not brought by this clause within the control of Congress. The barrels and casks, the bottles and boxes in which alone certain articles of commerce are kept for safety and by which their contents are

transferred from the seller to the buyer, do not thereby become subjects of congressional legislation more than other property. *Nathan* v. *Louisiana,* 8 How., 73. In *Paul* v. *Virginia* (8 Wall., 168), this court held that a policy of insurance made by a corporation of one State on property situated in another, was not an article of commerce, and did not come within the purview of the clause we are considering. 'They are not,' says the court, 'commodities to be shipped or forwarded from one State to another, and then put up for sale.' On the other hand, in *Almy* v. *State of California* (24 How., 169), it was held that a stamp duty imposed by the legislature of California on bills of lading for gold and silver transported from any place in that State to another out of the State, was forbidden by the Constitution of the United States, because such instruments being a necessity to the transaction of commerce, the duty was a tax upon exports.

"The question, therefore, whether the trade-mark bears such a relation to commerce in general terms as to bring it within congressional control when used or applied to the classes of commerce which fall within that control, is one which, in the present case, we propose to leave undecided."

In this quotation from the opinion of this court two things are expressly enunciated: That the constitutionality of a law like the present trade-mark law is left *undecided*; that not *every* species of property used in commerce is the *subject* of legislation under the Constitution.

Commerce can exist and be carried on *without* trade-marks. It existed before trade-marks were instituted. It would exist if trade-marks were abolished. Commerce is something, therefore, separate, independent and distinct from the trade-marks used in connection with it. The regulation of the one may, therefore, be entirely separate and distinct from the regulation of the other. Congress

can legislate so as to regulate commerce *without* regulating or affecting trade-marks, just as it can without regulating or affecting the barrels and casks or bottles and boxes in which articles of commerce are kept and transported. Legislating in relation to trade-marks is not, therefore, incidental to or essential to legislating regarding commerce. With the same force could it be argued that legislating in reference to the boxes, bottles, packages or receptacles in which articles of commerce are kept and shipped was legislating in reference to commerce—was legislating under the power to "regulate commerce" given by the Constitution.

There has been no express adjudication under the present trade-mark law holding the Act of Congress to be unconstitutional. Judge Dyer, however, in *Leidersdorf* v. *Flint*, 8 Bissell, 333, under the old law used this language:

> "It may be added, that the constitutionality of the trade mark statute cannot be sustained under the clause which gives to Congress the power to regulate commerce among the several states, nor, in my opinion, under any of the provisions of the Constitution which prescribe the legislative powers of Congress."

It is true that this language used by Judge Dyer was in reference to the old statute which did not purport on its face to be enacted under the clause of the Constitution providing for the regulation of commerce with foreign nations and among the several states, but it was used as his mind was apparently surveying the horizon to see whether there was *any* ground on which the act could he upheld. The Court of Appeals below regarded the language as a direct adjudication on the question as now presented, notwithstanding it was used in a case that arose under the old trade-mark law. They said on page 263 of the Record:

> "That the Congress had no power under the com-

> merce clause of the Constitution to regulate the subject was ruled by the Circuit Court of the United States for the Eastern District of Wisconsin in *Leidersdorf* v. *Flint*, 8 Bissell, 327. This is the only direct adjudication upon that question. Following the decision of the Supreme Court in The Trade Mark Cases, the Congress of the United States enacted the present law, Act of March 3, 1881 (21 Stat., 502), limiting its operations to trade marks used in commerce with foreign nations and with the Indian tribes. There has been no ruling upon the constitutionality of this act, and it need only be said that its validity is fairly doubtful."

In this case the suit is between *citizens of the same state*, so that the only jurisdiction that the federal courts have of the litigation is dependent upon the constitutionality of the act under which the suit is brought. The question, as it seems to us, is, therefore, directly presented, and we respectfully ask this court for an adjudication upon it.

THE NON-APPROPRIABILITY OF THE WORD "ELGIN" AS A TRADE-MARK.

The next ground of defense relied on is that the word "Elgin" is a geographical name and not the subject of appropriation as a trade-mark. The evidence shows that Elgin, Illinois, existed as a town *before* the appellant located its factory there for the manufacture of watch movements. Mr. Hunter, superintendent of the appellant's factory, says that when the appellant located at Elgin it was a town "between four and five thousand population." (Record, 39.) It was, therefore, even at that early date —1865—a town of considerable importance and size, relatively to the importance and size of other towns in Illinois at that time. The appellees located their works at the City of Elgin in the year 1890, where they have carried

on business ever since. The real question for consideration, therefore—both parties being located at Elgin—properly is this:

Can a person begin to manufacture a product at a town already in existence—Elgin, Illinois,—and appropriate the name of such town as a trade-mark to the exclusion of others afterwards doing business *at such town?*

The decisions of the courts in many similar cases have, as we believe, settled the law so that this question can only be answered in the negative. We quote from a number of decisions on this point:

In *Pillsbury-Washburn Flour Mills Company* v. *Eagle,* 86 Fed. Rep., 608, the court held that the word "Minneapolis" could be protected in favor of parties doing business *at* Minneapolis as against parties doing business *elsewhere,* but not against parties who engaged in business at Minneapolis. On page 617 the court said:

> "The complainants can have no exclusive right to the use of the geographical names of 'Minneapolis' or 'Minnesota.' They are not the subject of a trade mark proper. Any one or more of the 200,000 inhabitants of Minneapolis may use that word upon their flour. The defendant or any other person from any state may go there, and establish a mill, and brand his flour 'Minnesota Patent' and 'Minneapolis, Minnesota'."

On page 618 the court stated the distinction that runs through all of the cases by which the name of a town is protectable in favor of the inhabitants *of* such town against others living *elsewhere,* and using the name of the town, but not protectable by *some* of the inhabitants against *other* of the inhabitants of the same town.

> "In the examination of scores of cases referred to in the briefs of counsel, we find very little difference

in opinion on this subject. The distinction, both in the English and American cases, is between those where a geographical name has been adopted and claimed as a trade mark proper, and those where, as in the case at bar, it has been adopted first as merely indicating the place of manufacture, and afterwards, in course of time, has become a well known sign and synonym for superior excellence. In the *latter* class of cases, persons residing at other places will not be permitted to use the geographical name so adopted as a brand or label for similar goods for the mere purpose by fraud and false representation of appropriating the good will and business which long continued industry and skill and a generous use of capital has rightfully built up."

The Minneapolis flour case we regard as decisive of the case now under consideration, even if there were no other. The appellant and the appellees are *both* engaged in business *at* Elgin. They *both* have the right, therefore, to use the name of the town *where* they carry on their business. If the appellees were located *elsewhere* and were marking watches with the word or name "Elgin" which were manufactured *elsewhere,* then we have no doubt that an injunction should go against them under the authority of the above decision. While, however, we regard the above case as decisive of the question, we will, for convenience, quote from a number of the principal decisions touching the question, and particularly from the decisions of this court.

In *Canal Co.* v. *Clark,* 13 Wall., 323—the Lackawanna case—this court, in considering the appropriability of the name "Lackawanna," which was the name of a district in which coal was produced, said:

> " No one can claim protection for the exclusive use of a trade-mark or trade name which would practically give him a monopoly in the sale of any goods other

than those produced or made by himself. If he could, the public would be injured rather than protected, for competition would be destroyed. Nor can a generic name, or a name merely descriptive of an article of trade, of its qualities, ingredients, or characteristics, be employed as a trade-mark and the exclusive use of it be entitled to legal protection. . . .

"He has no right to appropriate a sign or a symbol, which, from the nature of the fact it is used to signify, others may employ with equal truth, and therefore have an equal right to employ for the same purpose.

"And it is obvious that the same reasons which forbid the exclusive appropriation of generic names or of those merely descriptive of the article manufactured and which can be employed with truth by other manufacturers, apply with equal force to the appropriation of geographical names designating districts of country. Their nature is such that they cannot point to the origin (personal origin) or ownership of the articles of trade to which they may be applied. They point only at the place of production, not to the producer, and could they be appropriated exclusively, the appropriation would result in mischievous monopolies. Could such phrases as 'Pennsylvania wheat,' 'Kentucky hemp,' 'Virginia tobacco,' or 'Sea Island Cotton,' be protected as trade-marks; could any one prevent all others from using them, or from selling articles produced in the districts they describe under these appellations, it would greatly embarrass trade and secure exclusive rights to individuals in that which is the common right of many. It can be permitted only when the reasons that lie at the foundation of the protection given to trade-marks are entirely overlooked. It cannot be said that there is any attempt to deceive the public when one sells as 'Kentucky hemp' or as 'Lehigh coal' that which in truth is such, or that there is any attempt to appropriate the enterprise or business reputation of another who may have previously sold his goods with the same description. This is not selling one man's goods as and for those of another. Nothing is more common than that a manufacturer sends his products to market, designating them by the name of the place where

they were made. But we think no case can be found in which other producers of similiar products in the same place, have been restrained from the use of the same name in describing their goods. . . .

"It must then be considered as sound doctrine that no one can apply the name of a district of country to a well known article of commerce, and obtain thereby such an exclusive right to the application as to prevent others inhabiting the district or dealing in similar articles coming from the district from truthfully using the same designation. It is only when the adoption or imitation of what is claimed to be a trade-mark amounts to a false representation, expressed or implied, designed or incidental, that there is any title to relief against it. True it may be that the use by a second producer, in describing truthfully his product, of a name or a combination of words already in use by another, may have the effect of causing the public to mistake as to the origin or ownership of the product, but if it is just as true in its application to his goods as it is to those of another who first applied it, and who therefore claims an exclusive right to use it, there is no legal or moral wrong done. Purchasers may be mistaken but they are not deceived by a false representation, and equity will not enjoin against telling the truth."

We have quoted at length from this case because it has been frequently referred to since by this and other courts, and always with approval, as giving the true reasons underlying the right to protection in trade-mark cases; as, for instance:

In *Lawrence Mfg. Co.* v. *Tennessee Mfg. Co.*, 138 U. S., 547, this court, after quoting from *Canal Co.* v. *Clark*, said:

"We quote thus at length, because the decision is a leading one which has been repeatedly referred to and approved as presenting the philosophy of the law applicable to trade-marks in a clear and satisfactory manner."

If we apply the doctrine of *Canal Co.* v. *Clark* to the facts of the case under consideration, it would seem to be decisive against the contention of the appellant that it has an exclusive right to the use of the word Elgin. The word "Elgin," claimed by the appellant, is a name which is and has been the name of a well-known manufacturing city in Illinois. The appellees' factory and business is located at Elgin. To give the appellant the exclusive right to mark its goods with the name "Elgin"—the name of the place where they are produced—"would practically give it a monopoly in the sale of goods other than those produced or made" by it. Such a concession "would greatly embarrass trade and secure exclusive rights to individuals in that which is the common right of many." If such protection should be given it, this court would be unable hereafter to say that "no case can be found in which other producers of similar products in the same place have been restrained from the use of the same name in describing their goods." To give the appellant the exclusive right to use the name "Elgin" would be to disregard "as sound doctrine that no one can apply the name of a district of country to a well-konwn article of commerce, and obtain thereby such an exclusive right to the application as to prevent others inhabiting the district or dealing in similar articles coming from the district, from truthfully using the same designation." If the appellees be enjoined from stamping or marking their goods with the name of the place where they are produced—Elgin, Illinois—it cannot be said that "equity will not enjoin against telling the truth."

In fact, to grant the appellant the relief asked in this case is to disregard and controvert in practice the whole spirit of the decision and many of its distinct enunciations. But many other decisions remain to the same purport.

In *Brown Chemical Co.* v. *Meyer,* 139 U. S., 542, this court said:

> " The general proposition is well established that words which are merely descriptive of the character, qualities or composition of an article, *or of the place where it is manufactured or produced,* cannot be monopolized as a trade-mark. *Canal Co.* v. *Clark,* 13 Wall., 311; *Manufacturing Co.* v. *Trainer,* 101 U. S., 51; *Caswell* v. *Davis,* 35 N. Y., 281; *Thomson* v. *Winchester,* 19 Pick., 214; *Raggett* v. *Findlater,* L. R., 17, Eq., 29."

In *Columbia Mill Co.* v. *Alcorn,* 150 U. S., 464, this court, in considering the appropriability of the word "Columbia" as a trade-mark, said:

> " The word 'Columbia' is not the subject of exclusive appropriation under the general rule that a word or words in common use as designating locality or section of country cannot be appropriated by any one as his exclusive trade-mark. . . .
>
> " The appellant was no more entitled to the exclusive use of the word 'Columbia' as a trade-mark than he would have been to the use of the word 'America,' or 'United States,' or 'Minnesota,' or 'Minneapolis.' These merely geographical names cannot be appropriated or made the subject of an exclusive property. They do not in and of themselves indicate anything in the nature of origin, manufacture or ownership."

Had the court in its enumeration above of localities or cities used the word "Elgin," it could not make the doctrine of the decision more applicable or decisive of the question now before the court. If one cannot appropriate the name "Minneapolis," how can he appropriate the name "Elgin"?

In the Columbia case above this court cited a number of decisions from other courts which it approved as announc-

ing the correct doctrine. One of these presented circumstances much more *favorable* to the contention of the appellant than exist in the case under consideration. We quote what this court said about it in the Columbia case on page 465:

> "In *Glendon Iron Co.* v. *Uhler,* 75 Penn. St., 467, a corporation adopted the trade-mark 'Glendon' which was placed upon their iron. The place where their furnace was located was afterwards erected into a borough by the name of 'Glendon.' Another company, engaged in business in the same place, afterwards used the word 'Glendon' on their iron. It was held that second company had a right so to do. The ruling of the court was rested on the ground that the name 'Glendon' was open to the whole world and that the previous appropriation of it by the complainant did not prevent any other manufacturer of pig iron, in its limits, from using the word."

As showing the much stronger equities in favor of the Glendon Company than exist in favor of the appellant in this case, it should be noted that the Glendon Iron Company located at the place *before* it became a town under the name of Glendon; here the appellant located at Elgin when it was a city of "between four and five thousand inhabitants." In the Glendon case the town adopted its name from the manufacturing company located there; here the appellant adopted its name from the city already in existence. If the appellant could show that it located on the site of the City of Elgin and that the town afterwards came into existence and adopted its name from that of the appellant, then it would be in apparently as favorable a position as was the Glendon Iron Company, and yet the Supreme Court of Pennsylvania held that the name of the town "was common to the whole world," and that "a previous appropriation of it by the complainant did not

prevent any other manufacturer of pig-iron, *in its limits,* from using the same word," and this court approved the correctness of the decision.

The Glendon case, which this court summarized and approved, as above, is so instructive and presents so strong reasons why the appellant should have been protected in the use of the name of the town, if such protection were possible in any case, growing out of the fact that the trade-mark "Glendon" was adopted before the existence of the town, that we quote from it at length for the convenience of the court.

> "Glendon is the name of the town in which the business of each party is located and carried on. It is an incorporated borough. Being then the name of an incorporated town, the main question is whether the appellant lawfully has the exclusive right to use it as a trade-mark. It is conceded, as a general rule, that the name of a town or city cannot be so appropriated as the exclusive property of anyone. This view is well sustained by authority: High on Injunctions, 673; Bispham's Eq., 411; *Wolfe* v. *Goulard,* 18 Howard's Prac. Rep., 64; *Brooklyn White Lead Co.* v. *Masury,* 25 Barb., 416; *Newman* v. *Alvord,* 49 Id., 588; *Candee* v. *Deere,* Supreme Court of Illinois, 10 Am. Law Reg. N. S., 694; *Del. & Hud. Canal Co.* v. *Clark,* 13 Wallace, 311.
>
> "It is contended by the appellant that this case is taken out of the general rule, inasmuch as the trade-mark was adopted *prior* to the incorporation of the borough, and *before* there was any town in that place. No authority is cited which supports this distinction.
>
> . . .
>
> "Appellees did not falsely represent the *place* of their business location. Their pig-iron was actually manufactured *within* the borough of Glendon. It was said in *Canal Co.* v. *Clark, supra:* 'True, it may be that the use by a second producer in describing truthfully his products by a name or combination

of words already in use by another, may have the effect of causing the public to mistake as to the origin or ownership of the product, but if it is just as true in its application to his goods as it is to those of another who first applied it, and who therefore claims an exclusive right to use it, there is no legal or moral wrong done. Purchasers may be mistaken, but they are not deceived by false representations, and equity will not enjoin against telling the truth.' The appellees put upon their pigs the initials of their firm and the name of their town. That name was Glendon to the whole world. It cannot be that the previous appropriation by the appellants of the word which now is the name of the town prevents any other manufacturer of pig-iron *within its limits* from using the same word. If it be so now, it may continue through all coming time. The boundaries of the town may be enlarged. The borough may grow into a city. The manufactories of pig-iron may be multiplied, yet the word most expressive to indicate their location must be denied to all save one. So far as the authorities go to restrain a manufacturer from the adoption of a truthful trade-mark, we will endeavor to enforce them. When asked to go further, we must decline. If the effect of the incorporation of the appellants' district of country into a town by the name of 'Glendon' has been to deprive them of some of their former rights, they must submit to the consequences. So well might they complain of the increased taxation which the municipal corporation has probably imposed upon their property. By the creation of the new municipality they assume new relative rights. They relinquish some which they previously possessed. The rights thereby given to the public become *common to all citizens dwelling therein.*"

The right to the use of the name of a town or place in a trade-mark has frequently been the subject of consideration in the Circuit Courts, and we believe the decisions will be found to be uniform on the proposition that such names cannot be appropriated or enforced against others

doing business *at the same town* or place. We will quote from a few of the decisions, so that your Honors will have the exact language of the courts before you.

In *Evans* v. *Von Laer*, 32 Fed. Rep., 154, Judge Colt said:

> "The complainants by their bill claim, as against the defendant, the exclusive use of the word 'Montserrat,' as a designation for lime juice. Montserrat is the name of a small island in the West Indies. . . . The evidence is that the defendant, or Von Laer & Co., bought lime juice on the island and had it shipped to this country. The fact that the Montserrat Co. may have acquired a high reputation for the purity and strength of their article, and that the importation of Von Laer & Co. may have been inferior in quality, can make no difference, unless the defendant, by improper means and devices, has sought to make the public believe that he was selling the article made by the Montserrat Co. In the absence of fraud the complainants cannot enjoin the defendant from the use of a geographical name. This was settled in the case of *Canal Co.* v. *Clark*, 13 Wall. 311, where the court refused to enjoin the defendant against calling the coal 'Lackawanna' coal, and where it was held that no one can apply the name of a district of country to a well-known article of commerce, obtaining thereby such an exclusive right to the application as to prevent others inhabiting the district or dealing in similar articles coming from the district, from truthfully using the same designation. The fact that such use by another person may cause the public to make a mistake as to the origin or ownership of the product can make no difference, if it is true in its application to the goods of one as to the other. Purchasers may be mistaken, but they are not deceived by false representations, and equity will not enjoin against telling the truth."

In *New York Cement Co.* v. *Coplay Cement Co.*, 45 Fed. Rep., 213, Justice Bradley, affirming 44 Fed. Rep., 277, said:

"This is very different from a claim by a resident of New York City, in common with all the other residents of that city, to the designation of an article as a New York article—for example, New York soap, New York flannels, New York whiskey, etc. Such a trade-mark cannot be maintained. A cigar manufacturer of Havana cannot maintain a claim to a trade-mark in 'Havana Cigars.' If a dealer in New York sells cigars as Havana cigars which are not such, it may be fraud, but it is no violation of a trade-mark which can be claimed by all the cigar makers of Havana. It is open to all persons to go to Havana and manufacture cigars there; but it would be absurd to say that they would thereby acquire a trade-mark in the name 'Havana Cigars.' So all cement manufacturers in Rosendale and its vicinity may rightly call their manufactured article 'Rosendale Cement,' but any other person may go to Rosendale and manufacture cement there, and have the same right. There is no exclusive property in the name, even in those who now reside there or carry on the manufacture there. It is open to all the world. In our judgment there is not, there cannot be, any trade-mark in the name of the place."

In *Genesee Salt Co.* v. *Burnap*, 67 Fed. Rep., 535, Judge Ricks said:

"A court will not enjoin from telling the truth. The facts in this case show that defendants are manufacturing their salt in the Genesee Valley, and to prevent them from using the word 'Genesee' as descriptive of their salt would be to give the plaintiff a monopoly of that word which the law does not intend to give. The case was practically decided on the authority of *Canal Co.* v. *Clark*, 13 Wall., 311. . . . Defendants are entitled to use the name 'Genesee,' representing the locality of the manufacture of the salt."

In *Hoyt* v. *Lovett Co.*, 71 Fed. Rep., 177, Judge Wales said:

"The words 'Green Mountain' being used to de-

note the place of origin of the article to which they were affixed, and the fact that this article is a natural product, brings the present case within the rule laid down in *Canal Co.* v. *Clark,* and *Mill Co.* v. *Alcorn,* already cited. . . . The name given to the vine and to the grape is geographical, designating a particular district or country, and cannot be employed by the complainants to the exclusion of others who deal in similar articles originating in the same locality."

In *Genesee Salt Co.* v. *Burnap,* 73 Fed. Rep., 821, Judges Taft, Lurton and Hammond, through Taft, C. J., said:

"It is well settled and we have just had occasion to decide in this court, that words merely descriptive of the character, quality, and composition of the article, or of the place where it is manufactured or produced, cannot be monopolized as a trade-mark. *California Fig-Syrup Co.* v. *Frederick Stearns & Co.* (decided by this court at the present term), 73 Fed. Rep., 812; *Chemical Co.* v. *Meyer,* 139 U. S., 540, 11 Sup. Ct., 625; *Canal Co.* v. *Clark,* 13 Wall., 311. The name 'Genesee,' when used in connection with the complainant's salt, obviously refers to the place of its production.

"The complainant could, therefore, assert no trade-mark property in it. . . . They may rightfully call it 'Genesee Salt.'"

We have thus far confined our quotations to decisions in the federal courts—Supreme and Circuit—but the reports of the decisions of the Supreme Courts of the states are full of decisions to the same purport. We do not deem it necessary to cite or quote at length from these decisions, as the law is too well established to need the support of their authority. We desire, however, to quote from two decisions in this state involving the name "Elgin"—the same name that is involved in this suit.

In *Elgin Butter Co.* v. *Elgin Creamery Co.*, 51 Ill. App., 232, the court said:

> "In effect the plaintiff claims an exclusive right to the name 'Elgin' in connection with the butter business. . . . We hold that the demurrer to the bill was rightly sustained upon the principle stated in *Candee* v. *Deere*, 54 Ill., 439, and *Bolander* v. *Peterson*, 136 Ill., 215, S. C. 35 Ill. App., 551, that the name of a place cannot be, by one to the exclusion of others, appropriated as a trade-mark."

In *Elgin Butter Co.* v. *Elgin Creamery Co.*, 155 Ill., 136, the Supreme Court, in affirming the decision above, said:

> "It cannot be admitted that complainant . . . has acquired such a property in and monopoly of the words 'Elgin,' 'butter' and 'creamery,' as that no one else can lawfully use the *first* of said words in connection with either of the other two, even when they can truthfully be so used. Nor can it be conceded that farmers in and around the city of Elgin cannot sell the butter that they make as 'Elgin' butter, nor are they precluded from truthfully designating the places where they severally make their butter as creameries at Elgin. And no more can such a concession be allowed as against the right of any other person or corporation engaged in the business of manufacturing, dealing in or selling butter made at a creamery in Elgin, and out of milk and dairy supplies produced in Elgin. As was said by the Supreme Court of the United States in *Canal Co.* v. *Clark*, 13 Wall., 311: 'It must, then, be considered as sound doctrine that no one can apply the name of a district or country to a well-known article of commerce and obtain thereby such an exclusive right to the application as to prevent others inhabiting the district, or dealing in similar articles coming from the district, from using the same designation.' Like doctrine has been announced by this court and in equally emphatic language. *Candee, Swan & Co.* v. *Deere & Co.*, 54 Ill., 439; *Bolander* v. *Peterson*, 136 id. 215."

In *Candee, Swan & Co.* v. *Deere & Co.*, 54 Ill., 439, above referred to, the Supreme Court said:

> "The question is then narrowed down to this: Can one manufacturer of an article at a particular town, whose wares have gained celebrity, appropriate as his own, to the exclusion of every other person in the same place, the name of the place, and thus prevent him from designating his manufactures as of the place where they are actually made? We do not think the cases go to this extent. . . . Is it possible, can it be tolerated for a single moment, that a maker of plows at Moline shall not be permitted to sell his work as a Moline plow—to advertise them in every form as the Moline plow? Would it not be the truth, and shall a manufacturer be prevented from publishing to the world where his wares are made? In what could a contrary notion result but in a monstrous monopoly? . . . If it can be claimed by an association at Moline, it could also be claimed for Peru, Peoria, Chicago, and the various other places at which these implements are largely made."

In view of the above decisions, and their number to the same purport could be greatly enlarged, we do not see how it is possible for the court to sustain the contention of the appellant that it is entitled to prevent the appellees from using the word "Elgin"—*their true place of manufacturing*—on the product of their factory. They cannot inform the world where they are manufacturing and carrying on their business *without* stating that such place is Elgin, Illinois. To enjoin them from so stating will be to enjoin them from telling the truth. The name "Elgin" is the name of the city where the appellees are doing business. It is geographical. Everybody engaged in business at Elgin has the right to state and advertise the fact both on their goods and otherwise. The right to use the name "Elgin"

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is a right *common* to all the people living at Elgin and doing business there. The appellant seeks to claim a right common to the public of Elgin as individual to itself. We submit and insist that this claim cannot be allowed. Its allowance would be in contravention of all the decisions above.

It is contended, however, that the name "Elgin" has acquired a special or secondary signification in connection with the appellant's use and is not, therefore, to be considered or treated as a geographical name. We submit that this can never be the case as against parties doing business *at the place,* the name of which is in controversy. To so hold would be to afford protection in that which the courts declare to be non-protectable. It would be to announce a principle and then to disregard it. How could the court say in *which* sense a party *used* the name? If he might use it *geographically* but not *secondarily,* how can the court say, if a party use the name *alone,* how he uses it? If the court say that the appellees in this case may use the name "Elgin" geographically, but not otherwise, and they use the word "Elgin" by *itself,* how is the court to say they are violating or not violating its order? How can the court say they are using the word in the *one* sense or the other? If they use the word *alone,* how can the court determine their *motive?* One day they might use the word *geographically* and the next day *secondarily*—but on both days exactly *alike.* The distinction is metaphysical and not practical enough for the purposes of courts of justice. There can be, as we submit, no *secondary* meaning attached to the name of a place *as against parties doing business at the place.* They have the right to use the name unhampered by such mythical rights claimed by others. As against parties *not* doing business at a place relief can

of course, be granted in proper cases, to protect the *secondary* meaning of the name of the place, but not where both parties are engaged in business *at* the place. As said by the Supreme Court in *Canal Co.* v. *Clark:*

> "We think no case can be found in which other producers of similar products in the same place have been restrained from the use of the same name in describing their goods."

CASES OF FRAUDULENT REPRESENTATION.

There are two classes of decisions that may be relied on by the appellant, but which, as we view them, have no application to the case under consideration. They both involve an element of fraud.

The first class of these decisions includes all of those cases in which the defendant, *not* doing business at a certain place, has represented his goods as made *at* such place. Such a case was *Newman* v. *Alvord,* 49 Barb., 588. This case is generally known as the "Akron" case. The plaintiffs were manufacturers of cement at the village of Akron in New York, and the defendants were manufacturers of cement at Syracuse, New York. The defendants marked their cement as "Akron" cement when it was not such. They were restrained because they were making a false representation, to the injury of the plaintiffs.

This case is considered and distinguished in *Canal Co.* v. *Clark,* where this court says:

> "The case does not rule that any other manufacturer *at* Akron might not have called his product Akron cement, or Akron water-lime. On the contrary, it substantially concedes that the plaintiffs, by their prior appropriation of the name of the town in connection with the words cement and lime, acquired no

exclusive right to its use as against any one *who could use it with truth.*"

We have referred to the Akron case above simply to call attention to the distinction that should be observed between those cases where *both* the complainant and the defendant are doing business in the *same* town, and those where the defendant is doing business at some *other* place and falsely represents his goods as from the town of the plaintiffs.

The other class of cases is where the defendant has made false and fraudulent representations that his goods are the goods of the complainant—as by adopting its corporate name. In this class of cases it is immaterial that the complainant and the defendant both do business at the same place. Such a case was that of the *Brooklyn White Lead Co.* v. *Masury,* 25 Barb., 416. In considering this case this court, in *Canal Co.* v. *Clark,* said:

> "It was a case of fraud. He had assumed a *false* name in imitation of a prior true one, and with the obvious design of leading the public to think his manufacture was that of the plaintiff. But the court said, as both the plaintiff and defendant dealt in the same article, and both manufactured it at Brooklyn, *each had the same right to describe it as Brooklyn white lead.*"

APPELLEES HAVE DONE NOTHING FRAUDULENT.

In the case under consideration no question of fraud, as we view it, is raised either by the pleadings or the testimony.

The bill does not allege fraud. It declares upon the complainant's registered trade-mark. The only "wrongful" and "unlawful" acts complained of are that the defendants have used the word "Elgin" on their watch-

cases. The prayer of the bill is that the defendants may be enjoined—

> "From directly or indirectly making or selling any watch-case or watch-cases marked with your orator's said trade-mark, and from using your orator's said trade-mark in any way upon watches or watch-cases, or in the defendants' printed advertisements, circulars, labels, or boxes or packages in which their said watch-cases are put up or exposed for sale." (Record, 8.)

There is no allegation in the bill that the defendants have ever represented or sold their goods as and for the goods of the complainant. In fact, they could not do so. The defendants' goods are watch-*cases*. The complainant's goods are watch-*movements*. A watch-movement is a chronometer—time-measuring instrument. A watch-case is a box or enclosing case, in which the watch-movement is placed to preserve it from harm. Nobody could be deceived by the representation that a watch-*case* was a watch-*movement*. Hence, there is no allegation in the bill that the appellees have fraudulently or otherwise represented *their* manufacture as the manufacture of the appellant. The whole gravamen of the charge is that the appellees have infringed the appellant's registered trade-mark—the word Elgin. It is well settled that fraud must be specially pleaded and the facts constituting the fraud set out with particularity.

In High on Injunctions, Sec. 21, it is said:

> "Where fraud is relied upon as the foundation for an injunction the allegations in the bill must be specific and definite acts of fraud, and not mere general averments; and in the absence of such specific allegations a court of equity will not interfere although irreparable injury is alleged."

The bill in this case does nothing of the kind, makes no

charge of fraud, exhibits no facts from which fraud can be properly deducted, and so is insufficient to support any testimony on such subject or to support any injunction on the ground of fraud. The testimony, however, shows no fraud or false or fraudulent representations on the part of the appellees whatever. The appellant has failed to connect the appellees with any false, fraudulent or misleading statements whatever. Some advertisements *by other parties* with whom the appellees are entirely disconnected have been introduced by the appellant against the objection of the appellees. The advertisement from the Washington Evening Star, printed on page 70, and the advertisements inclosed in the letter from Donald Manson, from Australia, printed on page 46 and following, are in no possible way, shape or form connected with the defendants.

Mr. Duncan, president of the defendant company, was asked on page 166 of the Record:

> "Q. 23. The complainant, in its testimony-in-chief, has offered in evidence several advertisements appearing in The Washington Star and other papers. How far, if at all, were such advertisements made with the knowledge or authority of the Illinois Watch Case Company or the other defendants?
>
> "A. Entirely without their knowledge or authority."

Mr. Duncan was asked, on page 169 of the Record:

> "Q. 47. Have the defendants ever represented in any way that the watch cases manufactured by The Illinois Watch Case Company were the manufacture or goods of the complainant, or of any other person, firm or company?
>
> "A. No, sir."

To entitle appellant to relief on the ground of false and fraudulent conduct on the part of the appellees, the evidence must be very strong and clear that there was fraud.

The evidence must be convincing that the appellees were endeavoring to palm off their goods as those of the appellant. Such evidence cannot arise out of the use by the appellees of words, marks or other indicia which they have the *right* to use, unless they are used in a way to amount to a false representation that their goods are the goods of the appellant.

In *Lawrence Mfg. Co.* v. *Tennessee Mfg. Co.*, 138 U. S., 551, this court said:

> "The deceitful representation of perfidious dealing must be made out or be clearly inferable from the circumstance. If, in this case, the letters L L formed an important part of plaintiff's label, and the defendant had used them in such a way and under such circumstance as to amount to a false representation, which enabled it to sell and it did sell its goods as those of plaintiff, and this without plaintiff's consent or acquiescence, then plaintiff might obtain relief within the principle of the cases just cited. But there is no such state of facts here. The brands are entirely dissimilar in appearance."

In *Brown Chemical Co.* v. *Meyer*, 139 U. S., 544, this court said:

> "The theory of a trade-mark proper then being untenable, this case resolves itself into the question whether the defendants have, by means of simulating the name of plaintiff's preparation, putting up their own medicine in bottles or packages bearing a close resemblance to those of plaintiff, or by the use of misleading labels or colors, endeavored to palm off their goods as those of the plaintiff. The law upon this subject is considered in the recent case of *Lawrence Mfg. Co.* v. *Tennessee Mfg. Co.*, 138 U. S., 537. The law does not visit with its reprobation a fair competition in trade. Its tendency is rather to discourage monopoly, except where protected by statute, and to build up new enterprises from which the public is likely to derive a benefit.

If one person can by superior energy, by more extensive advertising, by selling a better or more attractive article, outbid another in popular favor, he has a perfect right to do so. Nor is this right impaired by an open declaration of his intention to compete with the other in the market. . . .

"The right of the plaintiff to maintain this bill then must rest upon the assumption that the words 'Brown's Iron Tonic' bear such a resemblance in sound and appearance to the words 'Brown's Iron Bitters' that the public are liable to be misled. But if the words 'Iron Bitters' cannot be lawfully appropriated as a trade-mark, it is difficult to say upon what theory a person making use of these or similar words can be enjoined. We understand it to be conceded that these words do not in themselves constitute a trade-mark; it follows then that another person has the right to use them, unless he uses them in such connection with other words or devices as to operate as a deception upon the public. If the defendants be liable at all, then it must be by the addition of the patronymic 'Brown' to the words 'Iron Tonic.' But the evidence shows that the preparation was originally compounded by a person of that name of whom the present manufacturers are the successors in business, and, in the absence of testimony tending to show an intention to palm off their preparation as that of the plaintiff, they have a right to such use."

If the appellees in this case have the *right* to use the word Elgin, and are using it in a *lawful* manner, it is immaterial that others are taking advantage of the presence of the word Elgin to impose upon the public. It is as when a manufacturer makes lawful articles—as fire arms—and others put them to an unlawful use. No liability can arise from a lawful act.

There is no proof in the record that the appellants have ever instigated the commission of frauds or false repre-

sentations on the part of the parties to whom they sell their watch-cases or others. Nor are they charged with such instigation. The allegation of the bill, on page 7 of the Record, simply is that others may inclose watch-movements in the appellees' cases and represent the entire watch to be of the appellant's manufacture. The appellees sell their watch-cases to wholesale jewelers. That is the way they dispose of the product of their manufacture. On page 165 of the Record Mr. Duncan says:

> "Q. 20. How does the Illinois Watch Case Company dispose of the watch-cases manufactured by it?
> "A. To the wholesale jewelers.
> "Q. 21. Does it sell them outright?
> "A. Yes, sir.
> "Q. 22. After it has sold its watch-cases to the wholesale jewelers, what further control does it have over them, if any?
> "A. No control whatever."

If any fraud is committed, it is committed by the purchasers at their own instance and without any instigation on the part of the appellees. They alone are liable for such fraud or false representation.

In *American Cereal Co.* v. *Ely Pettijohn Cereal Co.*, 72 Fed. Rep., 907, the court said:

> "Complainant insists that retail dealers and traveling salesmen impose on the public by substituting defendant's rolled wheat for that made by complainant, and that such fraud is made possible by the use of the name 'Pettijohn' by defendant. Some confusion might, no doubt, arise by the common use of this name by the two competitors, but defendant denies any instigation of frauds of this kind. I can not hold that the wrapper used by defendant of itself—assuming defendant's right to use the name 'Pettijohn'—indicates any purpose of confusing one product with the other, or of playing into the hands of persons disposed to fraudulently confuse the one product with the other."

By an inspection of each of the watch-cases offered in evidence as showing appellees' manufacture, your Honors will find a guarantee certificate in the back of each. This guarantee certificate in each case contains the plain statement that the appellee company is the manufacturer, and gives Elgin, Illinois, as the place of manufacture. Each one of these certificates accompanies a watch-case, and no evidence has been introduced to show sales of cases unaccompanied by them. In reference to these matters Mr. Duncan says, on page 167 of the Record:

> "Q. 36. I notice the name of your company on each of these guarantee certificates. Has such name always been used in connection with these guarantee certificates?
>
> "A. Yes, sir.
>
> "Q. 37. If the words 'Elgin, Ill.,' which I find on each of these guarantee certificates were omitted, how would a purchaser of a watch containing one of your watch-cases know where to find your company to call upon you for the fulfillment of the guarantee?
>
> "A. They would have no means of knowing by whom it was manufactured."

It cannot be claimed that there is any simulation by the appellees of any labels used by the appellant, or that any confusion can arise from the style and character of the labels. The appellee company has made its personality as distinguished and pronounced as possible. It has carefully distinguished its manufacture from that of the appellant. The whole contention reverts, therefore, to the use of the word "Elgin," pure and simple. If any confusion arises it grows out of the fact that the appellant has attempted to appropriate a name as its *exclusive* property which the appellees can use with *equal* truth and propriety in the description of their manufacture. This raises no

legal or moral liability. As said by the Supreme Court in *Canal Co.* v. *Clark:*

> "True it may be that the use by a second producer, in describing truthfully his product, of a name or a combination of words or any use by another, may have the effect of causing the public to mistake as to the origin or ownership of the product; but if it is just as true in its application to his goods as it is to those of another who first applied it, and who therefore claims an exclusive right to use it, there is no legal or moral wrong done. Purchasers may be mistaken, but they are not deceived by a false representation."

The appellant does not manufacture watch-*cases*. It manufactures watch-*movements* only. It therefore intends by the course of its manufacture that the *cases* shall be supplied by others. Their course of business exposes them naturally and necessarily to danger. Any of the movements might be inclosed in a spurious and worthless case and the purchaser, supposing that the entire watch—case and movement—was the product of the appellant's manufacture, would, on the discovery of the spurious nature of the case which he had purchased, supposing it to be gold, visit the appellant in his own mind with the consequence of the fraud. He would have his faith and confidence in the quality of its goods diminished. The court cannot protect the appellant from the liability to fraud growing out of the dishonesty of retail dealers who sell the completed watches to their customers. The only way that the appellant can be fully protected is to manufacture *both* the watch-movements and the cases and sell them as a completed article. So long, however, as the appellees are not perpetrating or instigating fraud the court will not visit them with the punishment that can only be properly meted out to those who perpetrate the fraud.

The Circuit Court of Appeals, in deciding the case below, distinctly and affirmatively held that the appellant was not entitled to relief on the ground of fraud. In their opinion, on page 265 of the Record, they say:

> "It may also be remarked that this bill is not framed upon any theory of fraud or fraudulent conduct upon the part of the defendants thereto, except as it is to be inferred from the use of the complainant's registered trade-mark. It is not alleged that they have ever represented or sold their goods as the goods manufactured by the complainant. The one is a manufacturer of watch movements, the other of watch cases. To be sure, it is claimed, and possibly is established by the proof, that the watch cases of the appellants have been used by dealers to contain watch movements of inferior quality to those made by the appellee and possibly the purchaser deceived into believing that he had purchased a watch manufactured by the appellee. But this is not charged to have been done by the appellants or with their knowledge or consent, or that they have entered into any scheme or combination to impose upon the public. The only imposition suggested is the possibility that from the general reputation of the watches manufactured by the appellee and their known designation as Elgin watches, confusion is likely to result and the purchaser be induced to purchase the one article when he desires another. That might result from the lawful use of a geographical name, and is without remedy unless coupled with fraud upon the part of the appellants or those acting for and under them. However strong, the proof must respond to the allegations of the bill; so that whether we consider the case from the standpoint of jurisdiction or from the case made by the bill we are constrained to the conclusion that the decree below was erroneous."

Furthermore, the appellant is not entitled to any relief on the ground of fraud or misrepresentation unless the court find the registration of the word "Elgin" to

be valid as for a *lawful* trade-mark. The only circumstance which gives the court jurisdiction where the parties are citizens of the same state, as in this case, is the fact of a *registered* trade-mark. The ground of fraud or misrepresentation is insufficient. If, therefore, the only fact which *can* give the court jurisdiction be *eliminated* by the finding of the court that the complainant does not have a lawful registered trade-mark, then nothing remains, even if fraud or misrepresentation were alleged, that can give the court jurisdiction. It is as though the bill alleged diverse citizenship as a ground for jurisdiction and the court found that such fact did not exist and that the parties were citizens of the same state.

This phase of the case was considered by the Circuit Court of Appeals below, and on page 265 of the Record they said:

> "It is said that the evidence in this case is of that persuasive character which irresistibly leads to the conclusion that here was such gross fraud that a court of equity should not stay its hand, but should enjoin the guilty party from further deception and wrong. Unfortunately, however, if we should concur with counsel to the full extent of his contention, we are, as we think, without jurisdiction to grant relief; or, to say the least, that jurisdiction is of so doubtful a nature and so limited in extent and under an act of doubtful constitutionality, that we must decline to exercise it. The right of the appellee arises under the act of Congress and is limited to a trade-mark. By the statute the right of action is given to him to recover damages 'for the wrongful use of said trade-mark,' or he may have his remedy according to the course of equity, 'to enjoin the wrongful use of such trade-mark used in foreign commerce or with the Indian tribes.' It is only by virtue of that statute and for the protection of a right arising under the Federal law, that the appellee has standing in the Federal

court, for all the parties to this suit are citizens of the same State. The remedy in equity for fraud to which we first referred, is one which existed before the statute and is not given by it. It was not applied to protect the infringement of a trade-mark, but recognizing the invalidity of the supposed trade-mark was applied for the prevention of fraud; and that a Federal court may have jurisdiction in such a case we think there must exist and appear from the record the necessary diverse citizenship of the parties."

It seems to us, therefore, that no possible ground of relief can exist if the court find against the appropriability and registrability of the word "Elgin" as a technical trade-mark. The right of the court to give relief of any kind or description depends upon a finding that the appellant has a *lawful registered* trade-mark.

APPELLEES' REMOVAL TO ELGIN.

But it is claimed that the appellees removed their place of business to Elgin so that they *could* use the name Elgin, and that this is evidence of fraud. The *motive* which may have actuated the appellees in locating at Elgin is immaterial. The simple question is whether they have a *right* to use the name and are using it in a way that they have a right to. But if the contention that the appellees removed to Elgin so that they could use the name Elgin as their place of manufacture were true, and if they had no other inducement for going there, it would be immaterial; but it is not true.

It appears from the evidence that the appellees removed their works to Elgin, Illinois, because special inducements were offered to them by the citizens of Elgin. Mr. Duncan, on page 165 of the Record, was asked:

"Q. 12. What inducement, if any, was offered your company to locate at the City of Elgin?

"A. The citizens of Elgin supplied us with the building and ground suitable to our requirements.

"Q. 13. Do you mean that such building and grounds were donated to your company if it would locate at Elgin?

"A. Yes, sir."

It is evident that the citizens of Elgin were desirous of having the appellees locate their works there, and the inducement offered was a proper and legitimate one for them to consider. Furthermore, the reputation of Elgin as a manufacturing point—even its reputation as a point where watches were manufactured—was a proper and legitimate consideration for the appellees to act upon.

In *Wotherspoon* v. *Currie*, 42 L. J. Ch., 130—commonly known as the Glenfield starch case—Lord Justice James, in dissolving the injunction which had been granted below restraining the defendant from using the word Glenfield, said:

> "I am of the opinion that the injunction in this case cannot be sustained. The word 'Glenfield' is not a fancy name like 'The Victoria,' or 'The Albert,' or 'The Excelsior,' and various names of that kind, which were fancy names, actually constituting a trade-mark in themselves; but Glenfield, although it is not a place as big as London, Glasgow, or Paisley, and is not even a post town, or a market town, or village, is a place which has an actual existence as the site of some manufactory, is yet a place containing some few houses, and is a place at which the plaintiff's starch was manufactured. The defendant, no doubt moved by the great reputation which the plaintiff's 'Glenfield Starch' had acquired, was minded to establish works at Glenfield. *That was what any one might do.* Although the works of the plaintiff had been removed from Glenfield, Glenfield was not,

as it seems to me, tabooed to all the world as a place or site for the manufacture of starch."

To admit the contention of the appellant, your Honors must go to the extent of saying that nobody engaged in the manufacture of watches, watch-movements, watch-cases, or parts of watches, can safely locate at Elgin, Illinois, or state the fact on their goods that they are manufactured at Elgin, Illinois.

Indeed, they cannot safely locate at any other town named "Elgin" and mark the name on their goods if appellant's contention be admitted. Yet, as appears from the Postal Directory, there are some eighteen towns named "Elgin" in the United States. There is Elgin, Ark.; Elgin, Ga.; Elgin, Ill.; Elgin, Ia.; Elgin, Kan.; Elgin, Mich.; Elgin, Minn.; Elgin, Mo.; Elgin, Neb.; Elgin, N. Y.; Elgin, O.; Elgin, Ok.; Elgin, Or.; Elgin, Pa.; Elgin, S. C.; Elgin, Tenn.; Elgin, Tex.; Elgin, Wash. We submit that it is preposterous to say that manufacturers of watches, watch-cases or watch-movements at any one of these "Elgins" cannot use the word "Elgin" in connection with their goods.

Furthermore, as showing the desire of the appellees to do nothing beyond what they had a clear right to do, is the letter from Mr. Sheridan in their behalf printed on page 138 of the Record, in which the appellees offered, for the sake of peace, to forego the use of the word "Elgin" when used by itself and disassociated without other words.

APPELLANT'S FALSE REPRESENTATIONS.

Furthermore, it appears from the deposition of Mr. Cutter, who states, on page 30, that he has "general supervision of the commercial part of the business" of the appellant's company, that the appellant has been advertising the *entire watch*—case as well as movement—as of their manufacture. On page 80 of the Record he says:

> "X Q. 138. In one of your answers you state that the complainant has expended several hundred thousand dollars in 'advertising Elgin watches.' Do you mean by this that complainant has expended such large sums in advertising its watch-movements?
>
> "A. No, sir; in advertising 'Elgin watches' to the public. We never have advertised in any other way to the public.
>
> "X Q. 139. Does complainant manufacture or sell complete watches, case and movement or all of the parts being put together?
>
> "A. Not at the present time. We have sold complete watches in times past. This refers to odd-sized movements that we manufactured some years ago—fully fifteen years ago.
>
> "X Q. 140. Then, when you speak of advertising Elgin watches at present, you really mean watch-movements, do you not?
>
> "A. No. We mean the complete watch, so far as the public is concerned. They get it in no other form. They would not know what Elgin movements are were we to advertise them as such, and the company never have advertised 'Elgin movements' to the public. . . .
>
> "X Q. 142. As a matter of fact, a 'watch' includes both movement and case, does it not?
>
> "A. Yes, sir.
>
> "X Q. 143. And the word is so understood in the trade and by the public generally, is it not?
>
> "A. I believe so."

From the above it appears that the appellant has been

advertising in a way to *claim* and *receive* the benefit of *other* people's work. They have claimed the *whole* watch as theirs—they so advertise it—and yet they are making only a *part* of it. They have advertised in a way that has been calculated to deceive, and which must have deceived, the public. People buying a watch of which a *part* was manufactured by the appellant—the movement—have been led to believe that they were getting a watch of which *all* of the parts were manufactured by the appellant. They have been advertising in a way to get the benefit of any superiority in the quality of the *cases* which has resulted from the honesty and efficiency of other people's work. This constitutes a fraud on the public. It is as bad as if the appellees were advertising their watch-*cases* as the *whole* thing—the entire watch—so as to get the benefit of the superior workmanship and skill of the appellant in the manufacture of its watch-movements.

Appellant's counsel insisted in his argument that the appellees should be required to state on their watch-cases the fact that only the *case* was of their manufacture. If this be so, then the appellant should be required, in honesty and good faith, to state on its watch-movements that only the watch-*movement* was of its manufacture, and its failure to do so constitutes a fraud on the public.

We submit and insist that the appellant's course of advertising has been deceptive and fraudulent to an extent that disentitles it to any relief in this suit aside from other considerations.

THERE IS NO INFRINGEMENT.

But aside from the question as to the appropriability of the word "Elgin" and the question of false and fraudulent representations on the part of the appellant, it seems to us that there is no infringement. The word "Elgin" is applied to two entirely *distinct* classes of goods. The appellant uses it on watch-*movements*; the appellees use it on watch-*cases*. A watch-movement is distinct from a watch-case—as distinct from a box as the thing enclosed in the box. The appellant has never manufactured watch-*cases*, but watch-movements *exclusively* (Record, 43), and the appellees have never manufactured watch-*movements*, but watch-cases *exclusively*. (Record, 164, 165.) It takes both a watch-movement and a watch-case to make a watch. (Record, 81.)

Neither the appellant nor the appellees, therefore, manufacture a "watch." They only manufacture distinct *parts* of a watch. A watch is the result of the *combination* of the two manufactures. The one part cannot be confounded with the other. No person will ever buy a watch-*case*—the product of the appellees' factory—under the supposition that he is getting a watch-*movement*—the product of the appellant's factory.

From the file-wrapper and contents of the registration of the word Elgin, November 14, 1882, certificate 9,810, it appears from page 183 of the Record that the appellant first attempted to register the word "Elgin" as "a trade-mark for *watches*," and stated that it was used "to designate particular classes or styles of watches." Afterwards, as appears from the letter printed on page 185 of the Record, applicant erased the word "watches" and limited its registration to watch-movements.

Afterwards, when appellant came to apply for the certificate sued on, No. 21,462, of July 19, 1892, it again said, as appears from page 192 of the Record, that the word Elgin was "used to designate particular classes or styles of *watches.*" This was afterwards struck out and the certificate issued with the statement that "the class of goods to which the trade-mark was appropriated is time-keeping instruments"—watch-movements.

From this examination of the proceedings in the Patent Office, it is clear that the appellant recognized and made the distinction between watch-*movements*—time-keeping instruments—and *other* portions of a watch.

In view of the fact that watch-*movements* are entirely separate and distinct from watch-*cases,* and of the fact that the appellant distinctly *limited* the statement in the applications for registration to the use of the word "Elgin" on watch-*movements* or time-keeping instruments, it should not be permitted to extend the scope of its rights to include an article *that it has never manufactured or sold*—watch-cases.

As, therefore, the appellant manufactures and sells *one* class of articles and the appellees *another*—the two classes being distinct and separate—no infringement is shown or can exist.

EFFECT OF REGISTRATION.

The appellant's counsel in his argument seems to attach great importance to the fact of registration. The registration does not *create* a trade-mark or make that a trade-mark which otherwise would *not* properly be one. Section 1 of the Act of 1881 says among other things that "owners

of trade-marks used in commerce with foreign nations," etc., "may obtain registration of such trade-marks." It does not define what *constitutes* a trade-mark. It leaves the question as to what constitutes a trade-mark precisely where it was before. The decisions appear to be uniform to this effect.

Popham v. *Wilcox,* 24 Abbott's Practice Reports, 208.

Glen Cove Mfg. Co. v. *Ludeling,* 22 Fed. Rep., 823.

Moorman v. *Hoe,* 2 Saw., 78.

Smith v. *Reynolds,* 10 Blatch., 100.

Trade-Mark Cases, 100 U. S., 82, 92.

Browne on Trade-Marks, Secs. 45-51.

The Court of Appeals below distinctly recognized and announced this doctrine, saying on page 263 of the Record:

> "The statute does not define what shall constitute a trade mark. To determine, therefore, what that trade mark is which is protected by this statute, we must be referred to the common law."

TRADE-MARKS LIMITED TO FOREIGN COMMERCE.

If, however, the appellant should be able to satisfy your Honors that the Act of March 3, 1881, is constitutional; that the name or word "Elgin" is properly appropriable as a trade-mark or name; that the appellees have infringed such mark; that the appellant is not disentitled to relief by reason of its own fraudulent conduct, then we submit and insist that the appellant is only entitled to relief in reference to watch-cases actually used in *foreign* commerce or in commerce with the Indian tribes.

Section 7 of the Act of March 3, 1881—the act now in

force—after saying that the defendant may be liable to an action on the case, proceeds:

> "The party aggrieved shall also have his remedy according to the course of equity to enjoin the wrongful use of such trade-mark used in foreign commerce or commerce with the Indian tribes."

In *Luyties* v. *Hollander,* 21 Fed. Rep., 281, Judge Wheeler, in considering a registered trade-mark, said:

> "The laws of the United States now in force, under which this trade-mark was registered, relate only to trade-marks specially used in commerce with foreign nations or with Indian tribes. Act of March 3, 1881 (21 St. at Large, c. 137, Sec. 1). They are particularly restricted so as not to give cognizance to any court of the United States in an action or suit between citizens of the same state, unless the trade-mark in controversy is used on goods intended to be transported to a foreign country, or in lawful commercial intercourse with an Indian tribe. Id., Sec. 11. The goods on which the trade-mark in question is used are not intended to be transported to any foreign country, nor for any Indian tribe, but are mineral waters sold for consumption in the city of New York; and the parties are all citizens of the State of New York. As this case is now presented, the orators are not entitled to maintain it in this court."

In *Shumacher* v. *Schwencke,* 26 Fed. Rep., 819, Judge Wheeler, in considering a registered trade-mark, said:

> "The authority of Congress over this subject arises from the power to regulate commerce, and does not extend to the protection of trade-marks within a state. Trade-Mark Cases, 100 U. S., 82. The orator may have a valid trade-mark, and an exclusive right to its use in New York; but, if so, his rights in that respect do not rest upon the laws of the United States. The registration under the statute only confers a right to it in foreign commerce, and a claim for infringement, or to be protected against infringement, cannot arise under the constitution or laws of the United States

unless the infringement is upon the right to use it in foreign commerce, which can only be by using a trade-mark without right in such commerce. The jurisdiction is not conferred at all by express words of the statute; but only by providing a mode of acquiring a right, a suit for the invasion of which would arise under the laws of the United States within the Act of 1875. The clause quoted from is restrictive of that jurisdiction. The defendants do not infringe upon any right resting upon the laws of the United States unless they use the trade-mark in foreign commerce, and jurisdiction of a suit for such infringement is not left in the courts of the United States unless such infringement consists in using the trade-mark by the defendants upon goods intended to be transported to a foreign country. The bill falls short of alleging such use; and this court appears to be without jurisdiction to restrain the use which is alleged."

In *Prince Paint Co.* v. *Prince Mfg. Co.*, 53 Fed. Rep., 493, Judge Butler, in considering a registered trade-mark, said:

"Have we jurisdiction? The plaintiff and the principal defendant are citizens of Pennsylvania. To give us jurisdiction it must therefore appear that a federal cause of action is set out. The breach of a common law trade-mark is not such a cause. While registration is averred there is no charge of infringing the plaintiff's rights under it. Such registration protects the use of the mark in foreign commerce and with Indian tribes; nothing more. It would seem, therefore, to follow very plainly that the facts necessary to confer jurisdiction are not averred. The bill is drawn precisely as if for trial in the state courts; and presents a proper cause of action for these tribunals. It seems to have been supposed that we can redress injuries resulting from trespass on the plaintiff's common law rights. That we cannot is clear, we think, on principle, and has been so decided. *Schumacher* v. *Schwencke*, 26 Fed. Rep., 818. Indeed the facts seem to be admitted in the plaintiff's brief at page 4.

"After the defendant's evidence was in, the plaintiffs supplemented their proof with a view to showing infringement in foreign commerce. This evidence called for no answer under the pleadings, and is therefore deemed irrelevant. But the infringement is, at best, so slight that even if the necessary averments were made we think the bill should not be entertained. It is virtually immaterial. The real controversy is about the common law trade-mark and its use by the defendants in domestic commerce. This fact is very clear. . . . In the New York suit the plaintiff's answer asserts that the principal market for the paint is in New York; and the sales of both parties are almost exclusively in the United States; the foreign trade is inconsiderable. Inasmuch, therefore, as the controversy is one for the state courts, and they alone can redress the substantial grievance stated, why should we retain the bill even if it contained the necessary jurisdictional averments, and thus forestall the judgments of the state courts, by passing on the common law rights asserted, without being able to accomplish any other substantial result? We think we should not."

In this case no sales in foreign commerce are shown beyond the admission of Mr. Duncan, on page 175 of the Record, where he says that this has been done "in a few instances," and that in those instances "the word Elgin was *not used alone*." In his deposition, on page 167 of the Record, Mr. Duncan gives the names of the cities in which the wholesale jewelers to whom the appellees sell their watch-cases are located. He says that the purchasers of their watch-cases are all located in the United States. Afterwards upon returning to Elgin and examining the company's books he made the correction above quoted where he says that they have sold to parties outside of the United States "in a few instances." The only other testimony of sales outside of the United States is contained in

the statements of the certificates of registration for the words "Elgin Tiger" and "Elgin Giant." There is no other testimony whatever of sales by the appellees to parties outside of the United States. Their sales now are apparently entirely inside of the United States, and such few sales have been made outside of the United States that the president of the company had no recollection of them at all until he had refreshed his memory by an examination of the company's books. This case, therefore, is like that decided above by Judge Butler. The sales abroad have been "virtually immaterial," "the foreign trade is inconsiderable," "the real controversy is about the common law trade-mark and its use by defendants in domestic commerce," "the controversy is one for the state courts," "they alone can redress the substantial grievance stated," and why should this court "forestall the judgment of the state courts by passing on the common law rights asserted," and why should it do this "without being able to accomplish any other substantial result"?

In view of the decisions quoted above and of the facts as disclosed by the testimony, we submit that the appellee has not, either by its pleadings or by its proofs, presented such substantial facts as justify this court in entertaining jurisdiction, particularly when the measure of its relief must be confined to the foreign sales which have been "virtually immaterial" and to the foreign trade which is "inconsiderable."

The Appellate Court below seemed to have taken this view of the case where in their opinion on page 266 of the Record they say:

> "The courts of the State furnish ample remedy for the wrong, if any, under which the appellee suf-

> fers. We have no right to redress or prevent trespass upon the common-law rights of the appellee, the citizenship of the parties forbidding jurisdiction. If it were allowable to us to assume jurisdiction to grant equitable relief upon the ground of fraud, if the bill were aptly framed to that end, the relief could only extend in restraint of the wrong, so far as it affected foreign commerce and commerce with the Indian tribes. The proofs show that such commerce in the case before us has been so slight as to be practically immaterial, and that the real controversy is concerning State and interstate commerce in the manufactured article. Complete remedy for the wrongs suffered by the appellee can only be given in the courts of the State in which the parties are resident. It is therefore not becoming, as we think, to assume a doubtful jurisdiction under a statute of doubtful validity."

Instead, however, of applying to the state courts for relief, as suggested by the Court of Appeals above, the appellant applied to the federal courts because, as we think, of the decision of the state courts on the word "Elgin" in the Elgin Butter Company case cited above. The decisions of the Appellate and Supreme Courts of Illinois on the word "Elgin," cited above, show plainly, as it seems to us, that the appellant would not be granted relief in the state courts. This makes the language of Judge Butler in the Prince Paint Company case pertinent where he says:

> "The application now made looks like an effort to experiment with another jurisdiction, which, as before suggested, would afford additional reason for declining to retain the bill, even if the necessary jurisdictional averments were found in it."

Since the foregoing was written, appellant's brief has been filed and we have received a copy thereof; and although the same seems to be substantially answered in what has been already said, we now desire to submit the following special suggestions in reference thereto:

Appellant calls attention to the fact that in the registration of appellee's trade-mark "Elgin Tiger," registered December 5, 1893, Mr. Eppenstein, then the president of the appellee company, stated that his company had used the words "since about the first of June, 1887," which was before the removal of the appellee company to Elgin in May, 1890. Appellant lays stress on this as showing that the name was used prior to the removal to Elgin. The only evidence on this point appears to be the affidavit contained in the registration of the trade-mark "Elgin Tiger." Mr. Eppenstein was not called or examined as a witness, although he resides at Chicago, and it would have been easy for the appellant to have subpœnaed him and establish the truth or falsity of his affidavit in this particular.

Assuming, however, that the statement was true, what of it? Appellant's certificate of registration of the word "Elgin" is dated July 19, 1892. The registration declared on on was, therefore, *more than two years* after appellee company had established itself *in business at* Elgin. The bill resting on the registration alone, what was done *prior* to the date thereof is of course immaterial. There could be no infringement of the *registered* trade-mark until *after* the registration, and at that time the appellee company was, and for *more than two years* had been, located at Elgin. And we can find no evidence whatever in the record showing sales in *foreign* commerce in which the word "Elgin" was used *after* July 19, 1892—the date of registration.

Appellant in its brief seeks to establish fraudulent con-

duct on the part of the appellee company. As above suggested, however, this was *prior* to the date of the registration on which the appellant's rights are founded. But fraud and fraudulent conduct are not alleged in the bill and cannot be made the ground of *relief*, inasmuch as *all* the parties are citizens of the State of Illinois. If the registration be invalid, fraud and unfair competition, even though alleged and proved, would be insufficient, as the court can have no *jurisdiction* if the registration fall. On this ground, if there were no other, therefore, all claim for relief predicated on the ground of *fraud* is immaterial and irrelevant.

Appellant argues that parties are often protected in the use of geographical names. A number of English cases are cited and a few American cases in support of the proposition. As to the English cases, unless predicated on the ground of fraud, they do not express the law of this country as established by this court. As to the American cases, unless subject to like qualification, they are contrary to the law as laid down by this court and are of no importance. In most of them, however, we think an examination will show that the geographical name protected was against parties doing business at *some other place*. This is true of the decision of Judge Severens in *Gage-Downs Co.* v. *Featherbone Corset Co.*, 83 Fed. Rep., 213, cited at length on pages 40 and 41 of appellant's brief.

We contend that parties can never be protected in the use of geographical names *except* as against parties doing business *elsewhere*, and then, not on the ground of *trademark*, but on the ground of fraud. This distinction is fully recognized by this court in the cases cited above and runs, we believe, through all of the cases which can be considered as expressive of the *law* of this country. The principle seems so plain that a "wayfaring man, though

a fool, cannot err therein;" but if this is not so, then we respectfully submit that it should be made thus plain by the decision in this case. It is time that the bench and the bar of this country should be given to understand that the name of a town is free and open to the use of *everybody* residing and doing business *in* the town, and that it will only be protected as against parties residing *elsewhere*, and then only on the ground of fraud.

CONCLUSION.

We submit and insist that the trade-mark Act of March 3, 1881, is unconstitutional; that the word "Elgin" cannot be appropriated by the appellant as a trade-mark; that no right of relief exists in the appellant as against the appellees doing business at Elgin on the ground of trade-mark, fraud or otherwise; that the appellant is disentitled to relief owing to its deceptive method of advertising its goods; and that the decision of the United States Circuit Court of Appeals directing that the bill should be dismissed for want of equity should be affirmed.

THOMAS A. BANNING,
EPHRAIM BANNING,
For Appellees.

November 15, 1900.

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Supreme Court of the United States.

No. 121.—October Term, 1900.

Elgin National Watch Company, Appellant, vs. Illinois Watch Case Company, Thomas W. Duncan, and Myer Abraham. } Appeal from the United States Circuit Court of Appeals for the Seventh Circuit.

[January 7, 1901.]

This was a bill filed in the Circuit Court of the United States for the Northern District of Illinois by the Elgin National Watch Company, a corporation organized under the laws of the State of Illinois, having its principal place of business at Elgin and its office in Chicago, in that State, against the Illinois Watch Case Company, also a corporation of Illinois, with its principal place of business at Elgin, and certain other defendants, citizens of Illinois.

The bill alleged:

"That prior to the 11th day of April, A. D. 1868, your orator was engaged in the business of manufacturing watches at Elgin, Illinois, which was then a small town containing no other manufactory of watches or watch cases; that your orator had built up at said town a very large business in the manufacture of watches and watch movements, and that said watches and watch movements, so made by your orator, had become known all over the world, and had been largely sold and used not on only in this but in foreign countries.

" . . . That at and before said 11th day of April, A. D. 1868, your orator had adopted the word 'Elgin' as a trade mark for its said watches and watch movements; that said trade mark was marked upon the watches and watch movements made by your orator, both upon those which entered into commerce in this country and those which were exported to and sold in foreign countries; that your orator's watches became known all over the world as Elgin watches, and their origin and source, as a product of your orator's manufacture, were distinguished from those of all other watches manufactured in any part of the world by said distinguishing word or trade mark, 'Elgin;' that from said 11th day of April, A. D. 1868, to the present time, your orator, both in the goods manufactured and sold by it in this country and those exported by it to and sold in foreign countries, has continued to use said trade mark upon its watches and watch movements, and is still using it, and that said trade mark has always served and still serves to distinguish your orator's product from that of all other manufacturers.

" . . . That at the time of its adoption of said trade mark no other person, firm or corporation engaged in the manufacture or sale of watches was using the word 'Elgin' as a trade mark or as a designation to designate its goods from those of other manufacturers, and that your

orator had the legal right to appropriate and use the said word as its lawful trade mark for its watches and watch movements.

" . . . That the watches and watch movements made by your orator have achieved a very great reputation throughout the world, and that such reputation is of great commercial value to your orator in its business aforesaid."

It was further averred "that on the 19th day of July, A. D. 1892, under the act of Congress relating to the registration of trade marks, your orator caused said trade mark to be duly registered in the Patent Office of the United States according to law, as by the certificate of said registration, or a copy thereof, duly certified by the Commissioner of Patents, here in court to be produced, will more fully and at large appear."

The bill charged that defendants had infringed the rights of complainant by engraving or otherwise affixing the word "Elgin" to the watch cases made and sold by them; that such watch cases were adapted to receiving watch movements of different construction from those made by complainant; that inferior watch movements were liable to be and often were encased in them, and that when so encased the entire watch, including both movement and case, appeared upon the market with the word "Elgin" upon it, thereby leading the public to believe that the watch as an entirety was made by complainant, and enabling parties wrongfully using complainant's trade mark to profit by the great reputation of complainant, to palm off other and inferior goods as goods made by complainant, to injure the reputation of complainant as a watchmaker, and to deprive it of a portion of the business and patronage which it would otherwise receive from the public, to the irreparable damage of complainant.

The prayer was for damages and for an injunction to restrain defendants "from directly or indirectly making or selling any watch case or watch cases marked with your orator's said trade mark, and from using your orator's said trade mark in any way upon watches or watch cases or in the defendants' printed advertisements, circulars, labels, or the boxes or packages in which their said watch cases are put or exposed for sale."

A demurrer having been overruled, defendants answered denying the legality of the registration of the alleged trade mark, and any attempt on their part to deceive the public or the doing of anything they did not have the legal right to do; and asserting that they had never manufactured or offered for sale watches or watch movements; that they manufactured at Elgin watch cases only; that complainant had never manufactured or sold watch cases with the word "Elgin" on them; that the business of the two companies was separate and distinct, and that whenever the defendant company had used the word "Elgin" it had usually, if not invariably, been done in connection with some other word, as "Elgin Giant," or "Elgin Commander," or "Elgin Tiger," or some other word in combination with the word "Elgin;" that defendant company had never used the word "Elgin" alone, or separately, as registered by complainant, upon

goods exported to foreign nations or used in foreign commerce, but only in domestic commerce, and to inform the public of the place where watch cases of the defendant company were manufactured; that such watches were sold upon a guarantee running for a number of years, so that it was necessary to indicate the name of the location where defendant company was carrying on its business, that purchasers might be able to find the company in case it became necessary to call upon it to make good its guarantees; "and that, owing to the distinct lines of business in which the complainant and the defendant company are engaged, no misunderstanding or confusion has arisen or can arise, as these defendants are informed and believe."

It was further alleged "that the word 'Elgin,' being a geographical name or word indicating the name of a prominent manufacturing city in which any manufacturer of watches, watch movements or watch cases is at liberty to locate and carry on his business, is not appropriable by any single manufacturing person, firm or corporation, but is open as of common right to the use of any person, firm or corporation carrying on business at the city of Elgin."

Replication was filed, proofs taken, and a hearing had. By leave of court complainant amended its bill, alleging that the watch cases so manufactured and marked by defendants in violation of complainant's rights were intended by defendants to be sold in foreign countries, and were in fact exported to and sold in foreign countries.

The Circuit Court decreed that the use of the word "Elgin," whether alone or in connection with other words, was a violation and infringement of complainant's exclusive rights in the premises, and that an injunction issue restraining the use of the word alone or in connection with other words or devices, upon watches, or watch cases, or packages containing watches or watch cases, going into commerce with foreign nations or with the Indian tribes, in such a way as to be liable to cause purchasers or others to mistake said watches or the watch movements encased in said watch cases for watches or watch movements manufactured by complainant. 89 Fed. Rep. 487. The case having been carried to the Court of Appeals, that court reversed the decree of the Circuit Court, and remanded the cause with instructions to dismiss the bill. 94 Fed. Rep. 667.

Mr. Chief Justice FULLER delivered the opinion of the Court:

The Circuit Court of Appeals held that the bill must be dismissed for want of jurisdiction. The parties to the suit were all citizens of Illinois, and the court was of opinion that it could not be maintained under the act of March 3, 1881, 21 Stat. 502, c. 138.

In the *Trade Mark Cases*, 100 U. S. 82, this court held that the act of July 8, 1870, carried forward into sections 4937 to 4947 of the Revised

Statutes, was void for want of constitutional authority, inasmuch as it was so framed that its provisions were applicable to all commerce, and could not be confined to that which was subject to the control of Congress. The cases involved certain indictments under the act of August 14, 1876, "to punish the counterfeiting of trade mark goods and the sale or dealing in of counterfeit trade mark goods;" and the opinion treated chiefly of the act of 1870 and the civil remedy which that act provided, because, as Mr. Justice Miller observed, "the criminal offenses described in the act of 1876 are, by their express terms, solely referable to frauds, counterfeits, and unlawful use of trade marks which were registered under the provisions of the former act. If that act is unconstitutional, so that the registration under it confers no lawful right, then the criminal enactment intended to protect that right falls with it."

In its opinion the court, adhering to the settled rule to decide no more than is necessary to the case in hand, was careful to say that the question "whether the trade mark bears such a relation to commerce in general terms as to bring it within Congressional control, when used or applied to the classes of commerce which fall within that control, is one which, in the present case, we propose to leave undecided." And further: "In what we have here said we wish to be understood as leaving untouched the whole question of the treaty-making power over trade marks and of the duty of Congress to pass any laws necessary to carry treaties into effect."

The act of March 3, 1881, followed. By its first section it was provided that "owners of trade marks used in commerce with foreign nations, or with the Indian tribes, provided such owners shall be domiciled in the United States, or located in any foreign country or tribe, which by treaty, convention or law, affords similar privileges to citizens of the United States, may obtain registration of such trade marks by complying with" certain specified requirements.

By the second section, the application prescribed by the first "must, in order to create any right whatever in favor of the party filing it, be accompanied by a written declaration," "that such party has at the time a right to the use of the trade mark sought to be registered, and that no other person, firm, or corporation has the right to such use, either in the identical form or in any such near resemblance thereto as might be calculated to deceive; that such trade mark is used in commerce with foreign nations or Indian tribes, as above indicated; . . ."

The third section provided that "no alleged trade mark shall be registered unless the same appear to be lawfully used as such by the applicant in foreign commerce or commerce with Indian tribes as above mentioned or is within the provision of a treaty, convention, or declaration with a foreign power; nor which is merely the name of the applicant; nor which

is identical with a registered or known trade mark owned by another and appropriate to the same class of merchandise, or which so nearly resembles some other person's lawful trade mark as to be likely to cause confusion or mistake in the mind of the public, or to deceive purchasers."

By the fourth section certificates of registration of trade marks were to be issued, copies of which, and of trade marks, and declarations filed therewith, should be evidence "in any suit in which such trade marks shall be brought in controversy;" and by section five it was provided that the certificate of registry should remain in force for thirty years from its date, and might be renewed for a like period. By the eleventh section nothing in the act was to be construed "to give cognizance to any court of the United States in an action or suit between citizens of the same State, unless the trade mark in controversy is used on goods intended to be transported to a foreign country or in lawful commercial intercourse with an Indian tribe." The seventh section was as follows:

"That registration of a trade mark shall be *prima facie* evidence of ownership. Any person who shall reproduce, counterfeit, copy or colorably imitate any trade mark registered under this act and affix the same to merchandise of substantially the same descriptive properties as those described in the registration, shall be liable to an action on the case for damages, for the wrongful use of said trade mark, at the suit of the owner thereof; and the party aggrieved shall also have his remedy according to the course of equity to enjoin the wrongful use of such trade mark used in foreign commerce or commerce with Indian tribes, as aforesaid, and to recover compensation therefor in any court having jurisdiction over the person guilty of such wrongful act; and courts of the United States shall have original and appellate jurisdiction in such cases without regard to the amount in controversy."

Thus it is seen that under the act registration is *prima facie* evidence of ownership; that the certificate is evidence in any suit or action in which the registered trade mark is brought in controversy; that the act practically enables treaty stipulations to be carried out, and affords the basis for judicial redress for infringement in foreign countries, where such redress cannot ordinarily be had without registration, as well as in the courts of the United States, when jurisdiction would not otherwise exist. For it is the assertion of rights derived under the act which gives cognizance to courts of the United States when the controversy is between citizens of the same State, though the benefits of the act cannot be availed of if the alleged trade mark is not susceptible of exclusive ownership as such, and not, therefore, of registration.

Trade marks are not defined by the act, which assumes their existence and ownership, and provides for a verified declaration by applicants for registration that they have the exclusive right to the particular trade mark sought to be registered.

The term has been in use from a very early date, and, generally speaking, means a distinctive mark of authenticity, through which the products of particular manufacturers or the vendible commodities of particular merchants may be distinguished from those of others. It may consist in any symbol or in any form of words, but as its office is to point out distinctively the origin or ownership of the articles to which it is affixed, it follows that no sign or form of words can be appropriated as a valid trade mark, which from the nature of the fact conveyed by its primary meaning, others may employ with equal truth, and with equal right, for the same purpose.

And the general rule is thoroughly established that words that do not in and of themselves indicate anything in the nature of origin, manufacture or ownership, but are merely descriptive of the place where an article is manufactured or produced, cannot be monopolized as a trade mark. *Canal Company* v. *Clark*, 13 Wall. 311; *Brown Chemical Company* v. *Meyer*, 139 U. S. 540; *Columbia Mill Company* v. *Alcorn*, 150 U. S. 460; and cases cited.

The word "Elgin" is and has been for very many years the name of a well known manufacturing city in Illinois. The factory and business of appellees were located at Elgin, and in describing their watch cases, as made there, it is not denied that they told the literal truth so far as that fact was concerned, and this they were entitled to do according to the general rule. Obviously to hold that appellant had obtained the exclusive right to use the name "Elgin" would be to disregard the doctrine characterized by Mr. Justice Strong, in *Canal Company* v. *Clark*, as sound doctrine, "that no one can apply the name of a district of country to a well known article of commerce, and obtain thereby such an exclusive right to the application as to prevent others inhabiting the district or dealing in similar articles coming from the district, from truthfully using the same designation."

But it is contended that the name "Elgin" had acquired a secondary signification in connection with its use by appellant, and should not, for that reason, be considered or treated as merely a geographical name. It is undoubtedly true that where such a secondary signification has been acquired, its use in that sense will be protected by restraining the use of the word by others in such a way as to amount to a fraud on the public and on those to whose employment of it the special meaning has become attached.

In other words, the manufacturer of particular goods is entitled to the reputation they have acquired, and the public is entitled to the means of distinguishing between those, and other, goods: and protection is accorded against unfair dealing, whether there be a technical trade mark or not. The essence of the wrong consists in the sale of the goods of one manufacturer or vendor for those of another.

If a plaintiff has the absolute right to the use of a particular word or words as a trade mark, then if an infringement is shown, the wrongful or fraudulent intent is presumed, and although allowed to be rebutted in exemption of damages, the further violation of the right of property will nevertheless be restrained. But where an alleged trade mark is not in itself a good trade mark, yet the use of the word has come to denote the particular manufacturer or vendor, relief against unfair competition or perfidious dealing will be awarded by requiring the use of the word by another to be confined to its primary sense by such limitations as will prevent misapprehension on the question of origin. In the latter class of cases such circumstances must be made out as will show wrongful intent in fact, or justify that inference from the inevitable consequences of the act complained of. *Lawrence Manufacturing Co.* v. *Tennessee Manufacturing Co.*, 138 U. S. 549; *Coats* v. *Merrick Thread Co.*, 149 U. S. 562; *Singer Man. Co.* v. *June Man. Co.*, 163 U. S. 169.

In *Singer Man. Company* v. *June Man. Company*, the Singer machines were covered by patents, whereby there was given to them a distinctive character and form, which caused them to be known as the Singer machines, as differing from the form and character of machines made by others. The word "Singer" was adopted by the Singer Company as designative of their distinctive style of machines rather than as solely indicative of the origin of manufacture. That word constituted the generic description of the type and class of machines made by that company, and, on the expiration of the patent, the right to make the patented article and to use the generic name necessarily passed to the public. But nevertheless this court held that those who availed themselves of this public dedication to make the machines and use the generic designation did so on condition that the name should be so used as not to deprive others of their rights or to deceive the public. Mr. Justice White, delivering the opinion, said:

"It is obvious that if the name dedicated to the public, either as a consequence of the monopoly or by the voluntary act of the party, has a two-fold significance, one generic and the other pointing to the origin of manufacture, and the name is availed of by another without clearly indicating that the machine, upon which the name is marked, is made by him, then the right to use the name because of its generic signification would imply a power to destroy any good will which belonged to the original maker. It would import, not only this, but also the unrestrained right to deceive and defraud the public by so using the name as to delude them into believing that the machine made by one person was made by another."

In *Reddaway* v. *Banham*, App. Cas. 1896, p. 199, much relied on by appellant's counsel, Reddaway was a manufacturer of belting from camel hair, which belting he had called "camel hair belting" for many years, so that it had become known in the trade as belting of his manufacture. Banham, long after, made belting from the same material, which he sold and adver-

tised as Arabian belting, but subsequently he, or a company he had formed, began to call it "camel hair belting." Reddaway and Reddaway's company brought an action for injunction, which was tried before Collins, J., (now Lord Justice Collins,) and a special jury. The jury answered certain questions to the effect that "camel hair belting" meant belting made by plaintiffs as distinguished from belting made by other manufacturers; that the words did not mean belting of a particular kind without reference to any particular maker; that the defendants so described their belting as to be likely to mislead purchasers and to lead them to buy defendants' belting as and for plaintiffs' belting; and that defendants endeavored to pass off their goods as and for plaintiffs' goods, so as to be likely to deceive purchasers. On the findings of the jury, Collins, J. entered a decree for plaintiffs, and granted an injunction restraining defendants "from continuing to use the words 'camel hair' in such a manner as to deceive purchasers into the belief that they are purchasing belting of the plaintiffs' manufacture, and from thereby passing off their belting as and for the belting of the plaintiffs' manufacture." The case having gone to the Court of Appeal, the decree was reversed, and judgment entered for defendants, (Q. B. Div. 1895, p. 286,) and plaintiffs thereupon prosecuted an appeal to the House of Lords, which reversed the Court of Appeal, and reinstated the decision of Collins, J., with a slight modification. The case was held to fall within the principle, as put by the Lord Chancellor, "that nobody has any right to represent his goods as the goods of somebody else."

Lord Herschel, referring to *Wotherspoon* v. *Currie*, L. R. 5 H. L. 508, said:

"The name 'Glenfield' had become associated with the starch manufactured by the plaintiff, and the defendant, although he established his manufactory at Glenfield, was restrained from using that word in connection with his goods in such a way as to deceive. Where the name of a place precedes the name of an article sold, it *prima facie* means that this is its place of production or manufacture. It is descriptive, as it strikes me, in just the same sense as 'camel hair' is descriptive of the material of which the plaintiff's belting is made. Lord Westbury pointed out that the term 'Glenfield' had acquired in the trade a secondary signification different from its primary one, that in connection with the word starch it had come to mean starch which was the manufacture of the plaintiff."

And Lord Herschel further said that he demurred to the view—

"That the defendants in this case were telling the simple truth when they sold their belting as camel hair belting. I think the fallacy lies in overlooking the fact that a word may acquire in a trade a secondary signification differing from its primary one, and that if it is used to persons in the trade who will understand it, and be known and intended to understand it in its secondary sense, it will none the less be a falsehood that in its primary sense it may be true."

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These and like cases do not sustain the proposition that words which in their primary signification give notice of a general fact, and may be used for that purpose by every one, can lawfully be withdrawn from common use in that sense; but they illustrate the adequacy of the protection from imposition and fraud in respect of a secondary signification afforded by the courts.

In the instance of a lawfully registered trade mark, the fact of its use by another creates a cause of action. In the instance of the use in bad faith of a sign not in itself susceptible of being a valid trade mark but so employed as to have acquired a secondary meaning, the whole matter lies *in pais*.

It is to be observed, however, that the question we are considering is not whether this record makes out a case of false representation, or perfidious dealing, or unfair competition, but whether appellant had the exclusive right to use the word "Elgin" as against all the world. Was it a lawfully registered trade mark? If the absolute right to the word as a trade mark belonged to appellant, then the Circuit Court had jurisdiction under the statute to award relief for infringement; but if it were not a lawfully registered trade mark, then the Circuit Court of Appeals correctly held that jurisdiction could not be maintained.

And since while the secondary signification attributed to its use of the word might entitle appellant to relief, the fact that primarily it simply described the place of manufacture, and that appellees had the right to use it in that sense, though not the right to use it, without explanation or qualification, if such use would be an instrument of fraud, we are of opinion that the general rule applied, and that this geographical name could not be employed as a trade mark and its exclusive use vested in appellant, and that it was not properly entitled to be registered as such.

In view of this conclusion, and of the fact that the question of the constitutionality of the act of Congress was not passed on by the court below, we have refrained from any discussion of that subject.

The Circuit Court of Appeals was right, and its decree is

Affirmed.

True copy.

Test:

Clerk Supreme Court, U. S.